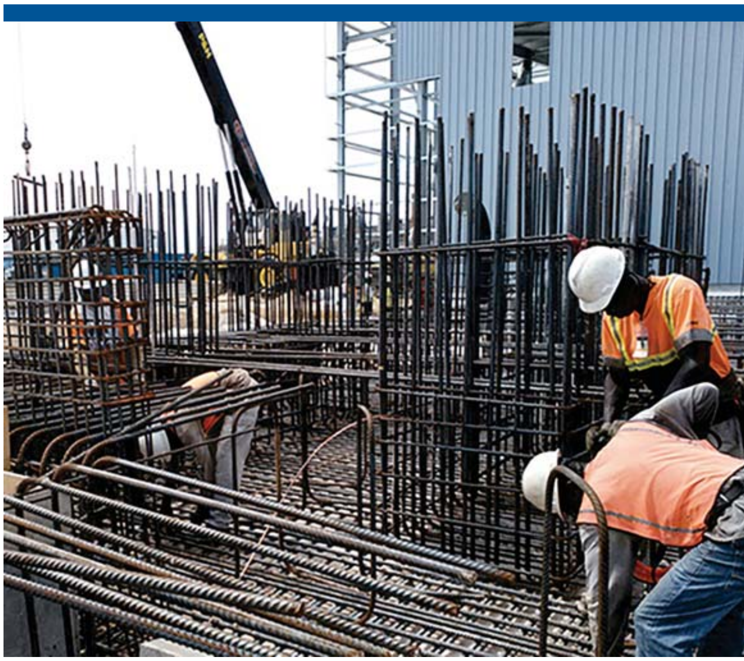
Your Global Energy Partner



ANNUAL REPORT 2015

The Annual Report 2015 is adopted at The Annual General Meeting of Shareholders on 23 February 2016

Torkil Bentzen
Chairman of The Annual General Meeting

Burmeister & Wain Scandinavian Contractor A/S
Gydevang 35, DK-3450, Allerød, Denmark. Company Reg. No. (CVR): 87929116

CEO STATEMENT

Contents

Anders Heine Jensen, CEO

It is all about customer focus and project execution

Our customer focus and project execution skills are deeply embedded in our culture and are key drivers for the continued increased business volume with an all-time high revenue of bDKK 2.1, an order backlog of bDKK 6.6 and a strong balance sheet. BWSC's performance has been based on a solid pool of competences and resillient health and safety standards.

The increased focus on project development and investment has over the last couple of years further enhanced BWSC's insight into the full life cycle of a power plant asset improving our products and services. Going forward, we will continue to focus on new market opportunities. BWSC has invested in eight power plants and when they have been fully completed, BWSC will have invested close to mDKK 500 in IPP (Independent Power Producer) power plants, which together with the related O&M contracts will ensure stable earnings for many years to come.

100 new employees have been welcomed at BWSC in 2015. They have further broadened and strengthened our in-house competences and capabilities and enable us to deliver on the increased business volume and ensure successful project execution.

In 2015, BWSC has also faced some challenges which we have been able to overcome due to our strong contracting skills and culture. For instance, a boiler supplier went into receivership, but BWSC still succeeded in completing the project and delivered the power plant in Q4 2015.

Profit before tax for 2015 has been realised at mDKK 101 (2014: mDKK 21) and earnings are thus back on track.

The order intake in 2015 of bDKK 2.7 and the all-time high order backlog of bDKK 6.6 ensure a high degree of visibility and form the basis for the 2016 outlook with an increased revenue and profit before tax.

The COP21 Paris Agreement is expected to have an important impact on the power generation industry and thus on BWSC's main business areas, but it is currently uncertain how the initiatives will be materialised by regulators, customers and financial institutions.

We would like to take this opportunity to thank customers, partners and suppliers and not at least our employees who all have contributed to making 2015 a strong year for BWSC.

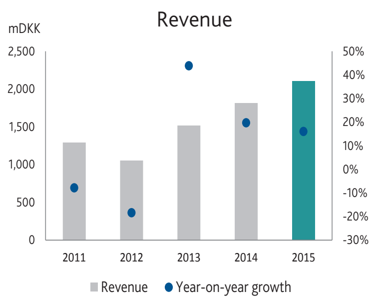
Front page: Top left: Cayman Power Station, Cayman Island. Top right: Zouk Power Station, Lebanon. Bottom: Brigg Renewable Energy Plant (REP), UK.

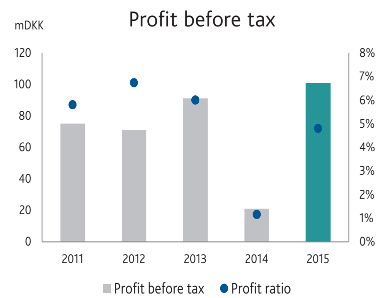
BWSC AT A GLANCE

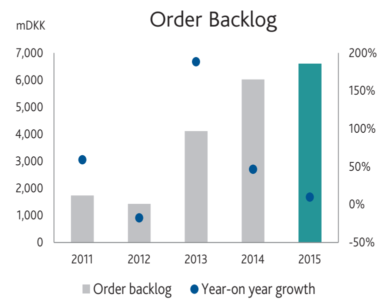
2015 has ensured BWSC an increased business volume and a strong financial position for the years to come, based on a solid competence pool and resillient health and safety standards.

Revenue	Increase	Investments in power plants	Increase	Solidity	Increase
bDKK 2.1	16%	mDKK 185	55%	40	-2% points
Average number of employees	**Increase**	**Average age of employees**		**Lost Time Injury Frequency**	**Improvement**
557	15%	46		2.9	42%

High growth over the last five years

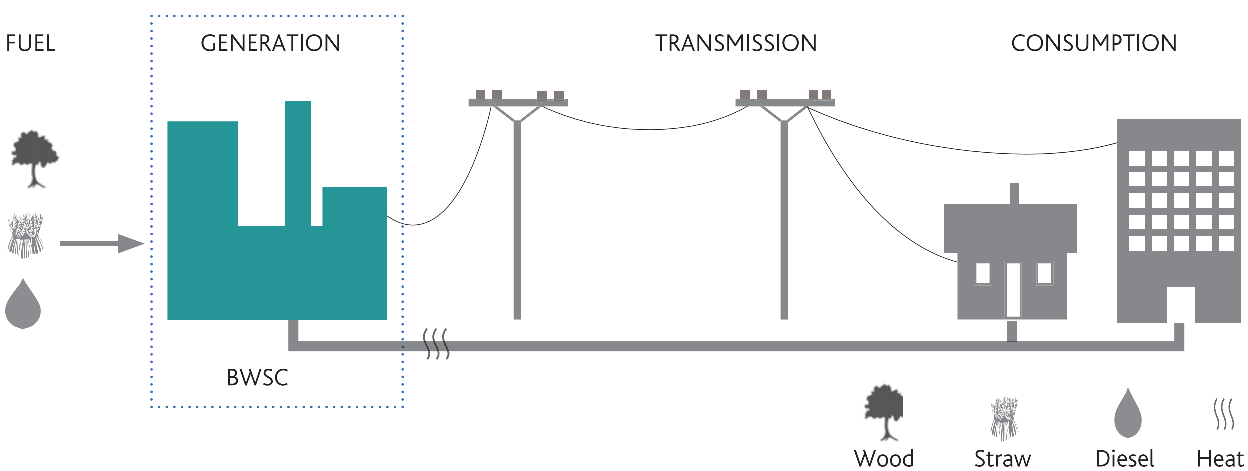






BWSC in the energy value chain

BWSC is a global turnkey developer, contractor and operator of diesel, gas and biomass fueled power plants generating electricity and heat to residential and business customers.



GROUP FINANCIAL HIGHLIGHTS

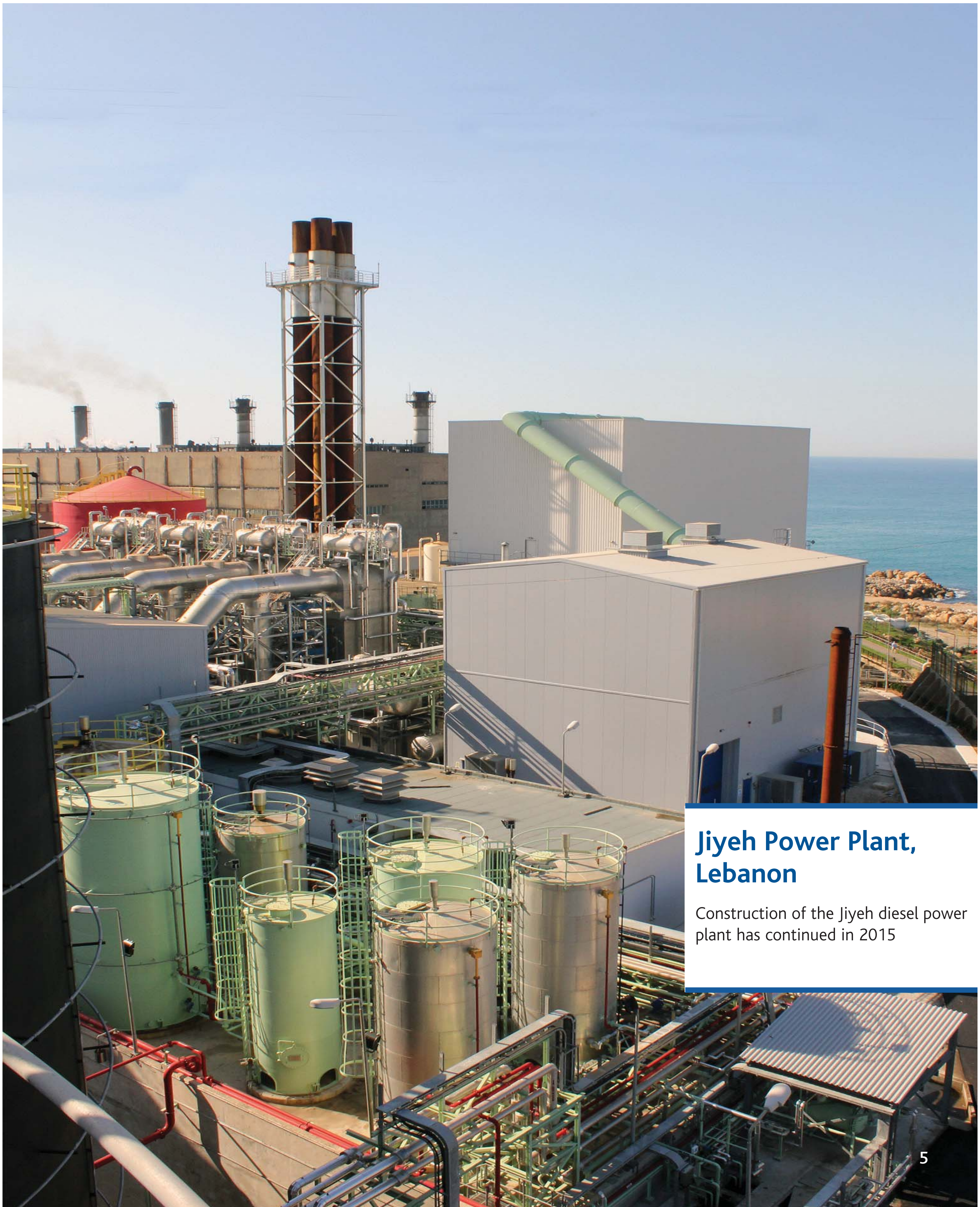
	2015 mDKK	2014 mDKK	2013 mDKK	2012 mDKK	2011 mDKK	2015 mEUR*
Income Statement						
Revenue	2,106	1,815	1,517	1,055	1,293	283
Gross profit	244	131	221	182	173	33
Net financials	7	6	-6	-2	8	1
Profit before tax	101	21	91	71	75	14
Profit for the year	76	17	65	57	57	10
Balance Sheet						
Total assets	1,836	1,496	1,288	1,195	1,080	246
Cash	774	708	538	827	713	104
Equity	727	630	623	603	574	98
Interest-bearing debt	25	28	31	34	37	3
Investments in tangible fixed assets	-6	-6	-5	-2	-2	-1
Cash Flows						
From operating activities	273	323	-196	131	40	37
From investment activities	-195	-121	-57	12	-2	-26
From financing activities	-12	-33	-30	-29	-58	-2
Financial Ratio (%)						
Gross margin	12	7	15	17	13	12
Profit ratio	5	1	6	7	6	5
Solidity	40	42	48	50	53	40
Return on equity	11	3	11	10	10	11
Other Information						
Order Intake	2,655	3,701	3,801	616	1,942	356
Order Backlog	6,597	6,018	4,110	1,426	1,735	886
Average number of full-time employees	557	484	450	415	428	557
Of which employed by the Parent Company	355	287	296	251	254	355

The Profit Ratio has been calculated as profit before tax proportional to revenue. The calculation of the remaining financial ratios are described in note 7.1 in the Financial Statements.

* The key figures are translated at the year-end EUR exchange rate of 7.45

Five year EUR group financial highlights are included on page 63

BWSC – WHO WE ARE



Jiyeh Power Plant, Lebanon

Construction of the Jiyeh diesel power plant has continued in 2015

BWSC – WHO WE ARE

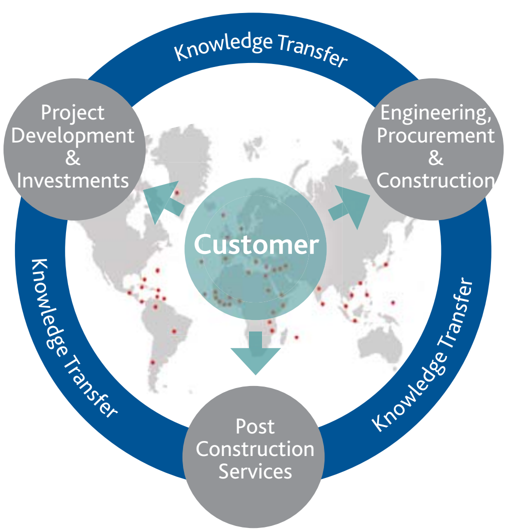
BWSC is a global and leading provider of tailored power plants, and we provide support to our customers in all phases of the power plant life cycle – from project development to plant operation.

Access to reliable and affordable power is vital for the economic, social and technological development. The increase in power consumption is mainly driven by Gross Domestic Product (GDP) growth, population growth and urbanisation, especially in the developing countries. The impact on the environment over the last decade has affected the industry with increased focus on emissions and the need for environmentally friendly sources of energy. This focus is likely to be strengthened by the recent COP21 Paris Agreement where the key point was the commitment to limit the rise in global temperatures.

At BWSC, our vision is to be the best partner for reliable and efficient energy solutions. Based on highly skilled employees, in-house capabilities and long-term experience and expertise, we can assist our customers in every aspect of the development, construction and operation of their investment.

BWSC – your global energy partner

At BWSC, our customers are our main focus. We assist our customers worldwide throughout the entire or specific phases of a power plant's life cycle.



Main activities

BWSC has three main activities: Engineering, Procurement & Construction (EPC), Post Construction Services and Project Development & Investments.

Engineering, Procurement & Construction

BWSC is a world-leading EPC contractor – or turnkey contractor – of mainly diesel, gas and biomass based power plants. Under a turnkey contract, BWSC is obligated to deliver a complete plant to the customer who only needs to turn the key to start operating the plant. In addition, BWSC must deliver the plant at an agreed price, by an agreed date and at a specified performance level.

BWSC also offers financing assistance based on in-house experience and an extensive network of financial institutions, funds and lenders.

BWSC has a solid history of delivering tailored EPC energy solutions to our customers. Due to our modular concept and the flexibility and expertise to select the best possible technology, BWSC is able to offer our customers efficient and competitive solutions accommodating their unique requirements and demands.

Post Construction Services

A well-defined and well-managed maintenance regime is essential to smooth and reliable operation of a power plant. Being a long-term energy partner, BWSC offers a variety of post construction services tailored to our customers' specific project requirements in order to maximise the efficiency of their power plant. Our services range from sale of spare parts, training, upgrades and rehabilitation of power plants to Technical Support Agreements (TSA) and Operation & Maintenance (O&M) contracts of up to 20 years.

Project Development & Investments

BWSC is an experienced developer of and investor in diesel and biomass power plants. Our hands-on experience enables us to support our partners in all aspects of project development – from potential lead to project implementation. Furthermore, BWSC invests in power plants and provides asset management services. So far, BWSC has invested in the range of mDKK 500 in eight power plants of which mDKK 55 will be paid in 2016.

Key markets

BWSC currently operates in two key markets - the diesel and gas power plant market and the biomass power plant market.

Diesel and gas market

BWSC is a global market leader and specialist within contracting and operation of medium and large diesel and gas based power plants (approximately 10-300 MW) and has more than 30 years of experience within this area. Despite the increasing interest for renewable technologies, the economic advantages of the well-proven diesel technology still make this solution attractive to decision makers. This is especially true for developing countries where the need for cost-efficient and reliable energy supply is essential to the infrastructural development. Increased environmental standards are applied which have a positive impact on the environmental footprint of the application. Furthermore, BWSC's diesel and gas power plants often replace inefficient energy sources.

Market development for diesel and gas

The significant drop in oil prices has naturally influenced market conditions and the choice of fuel and has led to an increase in HFO and diesel projects and a decrease in both natural gas and dual fuel projects. Lower fuel costs have a positive impact on energy projects in oil importing developing countries but on the other hand slow down the economy in oil exporting developing countries and thus the demand for power. In total, the diesel market is expected to increase. Within diesel and gas, BWSC has special focus on countries in Central and South America, the Caribbean, the Middle East, Africa and Asia.

Biomass market

The increased focus on climate changes and reduction of CO_2 emissions in recent years has led to a rising demand for green energy solutions. BWSC embraced this development and is now an experienced provider of biomass power plants. The biomass power plants are in the range of 15-70 MW, are typically based on wood or straw fuel and can be configured for Combined Heat and Power (CHP) production. The competitiveness of biomass power plants currently depends on Government support and subsidies which explains the high concentration of BWSC biomass projects in the UK where incentive schemes to promote renewable energy have been present.

Market development for biomass

The current incentive scheme in the UK will run out in March 2017 and will be replaced by new schemes, which are less favourable for biomass power generation. Customers and contractors are thus focusing on getting projects over the finishing line before that date. Under the new incentive schemes, only gasification (Advanced Conversion Technology - ACT) projects or CHP projects can become economically viable. BWSC will consequently explore the business opportunities within these segments to maintain and strengthen our position, and furthermore, possibilities in non-UK markets are expected to materialise. Within biomass, the main focus is on the UK, the rest of Europe and Asia.

Customer base

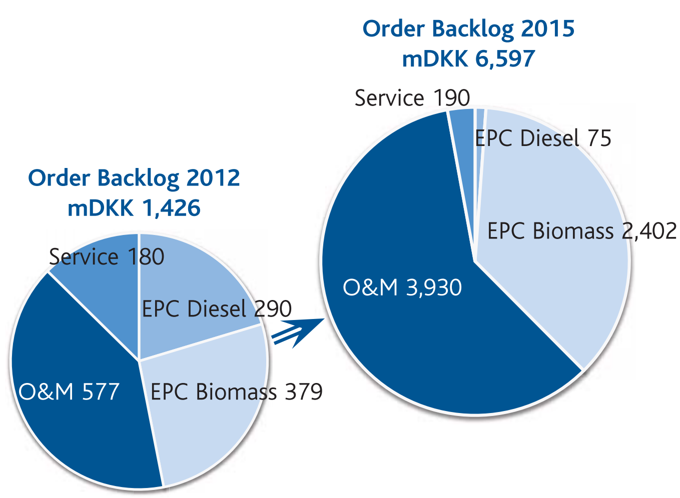
BWSC's customer base is mainly composed of regional utility companies within diesel and gas, but over the last couple of years, private and investment funds have to a larger extent entered this market. Within biomass, the customer base mainly comprises private and investment funds.

BWSC's business setup

The power plant industry is volatile and reacts to fluctuations in the economy and public regulations. An upturn or a downturn will inherently affect the investment in new power plant capacity. BWSC's business setup with outsourcing of e.g. manufacturing of boiler or engines and turbine to an external supplier or consortium partner and a flexible organisation and cost structure enables BWSC to adjust the business according to the financial environment and steer safely through upturns and downturns.

Furthermore, the long-term O&M contracts of up to 20 years and return on investments ensure stable earnings in times of fewer EPC contracts.

The number of O&M contracts and the contract amounts have significantly increased in recent years. The O&M order backlog has increased from mDKK 577 at end-2012 to mDKK 3,930 at end-2015. The O&M order backlog will generate revenue for BWSC for the next 20 years.



The project duration for diesel EPC projects is up to 18 months whereas the project duration for biomass EPC projects is up to 30 months. A diesel and biomass EPC order backlog of mDKK 2,477 and a project life time of up to 30 months ensure that BWSC to a certain degree has time to adjust the business set-up if needed.

Competence pool

At BWSC, our employees, systems and procedures are our key resources to execute the projects in the best possible way, and the development and success of BWSC highly depend on competent employees with a high level of expertise and commitment. Our in-house competencies include, among others, high-level engineering, technological innovation and well-proven project management. Based on these competencies, BWSC continuously focuses on developing the most efficient energy solutions within the requirements set by the customer to the benefit of both the financial and environmental bottom line. In 2015, this resulted in a new biomass project based on the reheat technology, which significantly increases the output of the power plant.

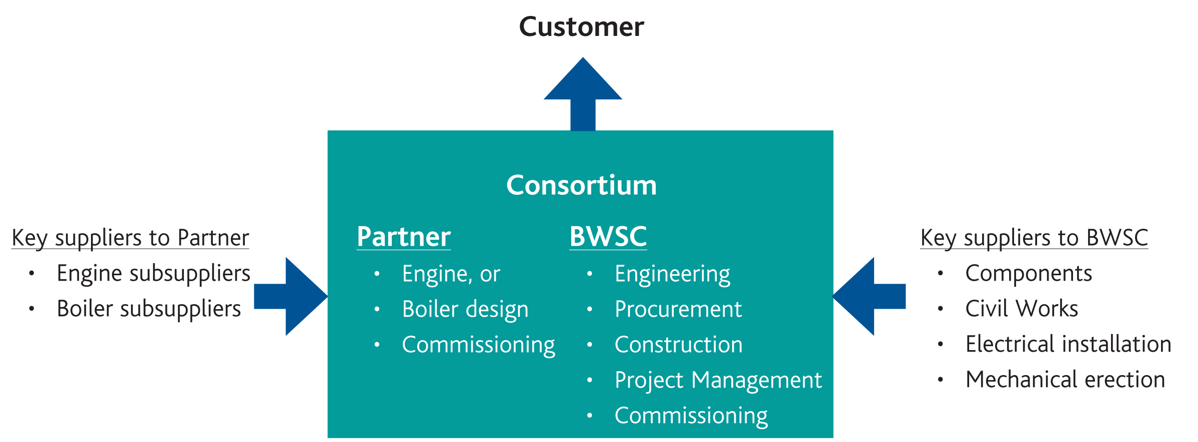
To maintain and develop the skills and competencies of the employees and stay at the forefront of the technological development, BWSC places great emphasis on further education and training of the employees. In 2015, the number of average training days per employee has remained high with 3.6 days. Furthermore, BWSC encourages and supports internal job rotations to promote knowledge sharing and a broad knowledge of BWSC's various business areas.

Cooperation with DASH Engineering in the Philippines has been established, and employees from BWSC have been working out of the Philippines, and DASH employees have been working out of Denmark to improve cooperation and knowledge sharing. Both DASH and BWSC are subsidiaries of the MES Group.

In order to support the employees in their everyday work and generally increase efficiency, improvements and updates of the administrative and IT systems within the Group are constantly carried out.

Dedicated employees, a constructive and inspiring working environment and the ability to foster talent are crucial to BWSC's future growth and development. To create a basis for dialogue and promote commitment and engagement among the employees, BWSC carries out Employee Satisfaction Surveys on an ongoing basis. The last survey was carried out in November 2015 with a very high response rate. The results showed high job satisfaction and very high loyalty and commitment among BWSC's employees. Followingly, a review of the survey at departmental level with all employees has been carried out to discuss initiatives to improve the working environment even further.

Delivery model for EPC power plants



Often, BWSC is in consortium with an engine or boiler supplier when offering to construct power plants for customers. The main services and works performed by BWSC and our consortium partner, and the main suppliers to both partners, are specified above. In projects without consortium agreements, the scope will be sourced by BWSC.

Quality Management

A strong customer focus and delivering high quality products at all times are at the core of BWSC's business. BWSC's power plants are built to recognised, international standards and norms, and BWSC continuously strives to improve and streamline its processes and products.

BWSC was awarded the ISO 9001 certificate in 2014 which is an important token of BWSC's quality efforts. However, the ISO 9001 certificate was not a goal in itself – rather, it is a commitment to continue to improve our quality and performance.

BWSC's quality management system is a key element to improve quality through knowledge sharing as experience is collected and shared with all employees to ensure continuous improvements. As part of the quality management system, BWSC has an IRQ (Improvement report – Quality) database where e.g. observations of non-compliance with procedures and formal requirements and areas of improvements are reported and followed up by a corrective action. BWSC has a target of receiving a certain number of IRQ's per month and is currently well above this target.

In continuation of the ISO 9001 certification, BWSC has decided to pursue an OHSAS 18001 certification of our Health & Safety Management system. The OHSAS 18001 standard applies the same framework as the ISO 9001 standard which makes it possible for BWSC to use the same process approach and the overall company QHSE procedures supplemented with specific Health & Safety Management procedures. The OHSAS 18001 Certification will enable BWSC to maintain our internal procedures and practices for Health & Safety Management and proactively improve our Health & Safety performance in preventing injuries and ill health. Furthermore, it will accommodate BWSC's and our clients and other external stakeholders' increased focus on Health & Safety Management. The OHSAS 18001 Certification is expected to be obtained in 2016. Insight into BWSC's Health & Safety performance is included on page 17.


BWSC

December 2015

IRQ of the month

The prize is awarded for IRQ-2014-0016 where it is pointed out that early design of underground utilities would further road works, crossings and safe points for setting up cranes – making the site more flexible, cleaner and safer.

Henrik Hestbek General Manager | **Anders Heine Jensen** CEO | **Anders Benfeldt** Director

Improvement Reports – Quality (IRQ) are important tools for BWSC to improve our processes, our products and to increase customer satisfaction and value creation.

IRQ of the Month Award

In order to strengthen the focus on the IRQ system, a monthly award – the IRQ of the Month Award – was introduced in 2015. The award is granted to an employee who has reported an important observation i.e. an observation which creates value for BWSC now or in the future.

Employees

The number of BWSC employees significantly increased in 2015. 102 new employees were welcomed to the Company, and BWSC now has approximately 730 employees including associated companies. Around 380 of these are based at the head office in Denmark, and around 350 are positioned around the world working on construction or service sites. Despite the large number of new employees, 52% of the employees have a seniority of 6 or more years.

BWSC has a very diverse employee group. In addition to Danish nationalities, BWSC employs people from a number of EU and non-EU countries at the head office in Denmark. A total of 16 nationalities are represented at the head office. At the sites, the majority of our employees are of local nationality mainly Kenyans, Sri Lankans, UK citizens etc. Close cooperation between people with different educational, technical and cultural backgrounds provides a solid base of knowledge, skills and experience enabling BWSC to deliver high quality products and services to our customers.

History

BWSC originates from the Danish Burmeister & Wain Group, which was a large shipyard and a leading diesel engine producer with its earliest roots dating back to 1843. The Company grew to become one of the leading employers in Copenhagen, Denmark, for nearly a century. The group was founded by two Danes, Hans Henrich Baumgarten and Carl Christian Burmeister. Following the retirement of Baumgarten in 1861, the Englishman William Wain joined in as co-owner with Burmeister in 1865.

In 1898, Rudolf Diesel granted Burmeister & Wain the exclusive Danish manufacturing rights for the innovative, revolutionary diesel engines, which he had introduced the year before. In the following years, the company's diesel engines and licensed designs were used worldwide.

Burmeister & Wain's engine plant and shipyard were separated into two independent companies in 1971. The engine plant was sold in phases to the German MAN Group in 1979 and 1980.

The Burmeister & Wain contractor division was established in 1977 to increase the share of Burmeister & Wain's stationary diesel engine plants. In 1980, the division became an independent company and was in 1990 sold to Mitsui Engineering and Shipbuilding Co. Ltd. (MES) in Japan, with Mesco Denmark A/S as the direct owner.

MES is one of Japan's leading heavy industry companies and is listed on the Tokyo Stock Exchange. In the fiscal year 2014/2015, MES had a group revenue of approximately bUSD 7. The MES Group employs approximately 12,300 people.

Since its establishment in 1917, MES has provided trusted products and plants for the society. MES has 3 main business segments, which are Ship & Ocean, Machinery & Systems and Engineering. The Ship & Ocean segment builds merchant vessels as well as military ships. Furthermore, the segment also covers off-shore equipment including FPSO (floating, production, storage, and offloading). The Machinery & Systems segment mainly produces marine diesel engines and cranes. The Engineering segment provides EPC (Engineering, Procurement, and Construction) services to construct petrochemical and environmental plants. BWSC is part of MES' engineering segment.

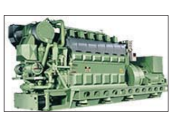
Construction of a petrochemical plant by MES

The evolution of BWSC

Diesel, Gas and Biogas

Diesel, Gas, Biogas, Biomass and Dual Fuel

BWSC has over the years developed into a full service company with focus on the full life cycle of diesel, gas and renewable energy power plants.



- Genset

- EPC
- Service
- Genset

- O&M
- Rehabilitation
- EPC
- Service
- Genset

- IPP Developer
- Investor
- Financial Engineering
- O&M
- Rehabilitation
- EPC
- Service
- Genset

1960 1970 1980 1990 2000

2015 FINANCIAL REVIEW

Brigg REP, UK

The Brigg biomass power plant achieved TOC (Taking over Certificate) in January 2016

2015 FINANCIAL REVIEW

Earnings are back on track with profit before tax of mDKK 101 for 2015 (2014: mDKK 21)

Growth in BWSC has been material over the last couple of years, and again in 2015, revenue has been all-time high with mDKK 2,106 (2014: mDKK 1,815). Over the last three years, the compounded annual growth rate (CAGR) for the revenue is 25%. A revenue graph for the years 2011-2015 is included on page 3.

In 2015, the order intake of mDKK 2,655 has once again exceeded expectations. The order intake for 2015 is lower than the last two years but is still at a high level, and together with orders obtained in 2014, it ensures BWSC a high degree of visibility for 2016. The order intake consists of one diesel project in Suriname, two biomass projects in the UK, one biogas project in Denmark and two O&M projects in the UK with durations between 12-20 years together with a number of service projects. The order backlog is an all-time high of mDKK 6,597 (2014: mDKK 6,018). On page 7, the order backlog is broken down into EPC diesel, EPC biomass, O&M and service contracts.

In 2015, BWSC has worked on a number of EPC and service projects which all, except two, have performed almost according to, in line with or above expectations.

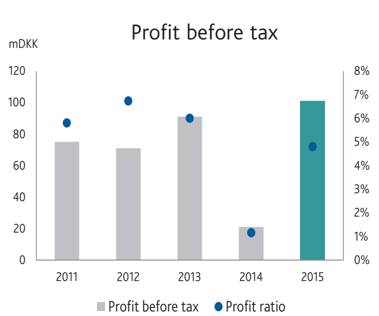
In 2014, the customer to a diesel power project in the Middle East did not pay the milestone payments on time. Accordingly, BWSC suspended the project which for 2014 had a material negative impact on revenue and profit before tax. The outstanding milestones were paid at the end of 2014, and the suspension was lifted at the beginning of 2015. BWSC has claimed the customer for direct cost, overhead and profit incurred during the suspension period in 2014. In 2015, BWSC has furthermore claimed the customer for a number of matters, which has further increased the outstanding claim amount, but the claims related to 2015 are less material than the 2014 claims, and the effect on profit before tax for 2015 has been less material than in 2014. The costs related to the claims for 2014 and 2015 have been included in the project accounts in 2014 and 2015, respectively. Currently, the claim negotiations have not been finalised, and a material part of the claim income cannot be recognised as income in the project accounts. The outcome of the claim settlement is uncertain and can have a material positive impact on the project accounts and the profit before tax when the claims have been settled.

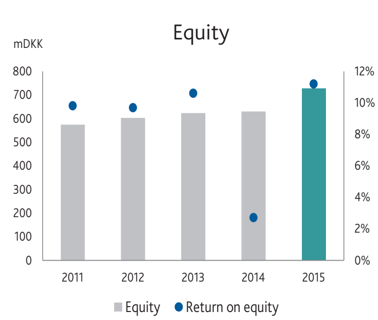
During 2015, the boiler supplier for one EPC project in the UK went into receivership, and BWSC took over the scope of the boiler supplier to ensure that the project was completed. The project reached TOC (Taking Over Certificate) in December 2015, but it had a material negative impact on profit before tax for BWSC.

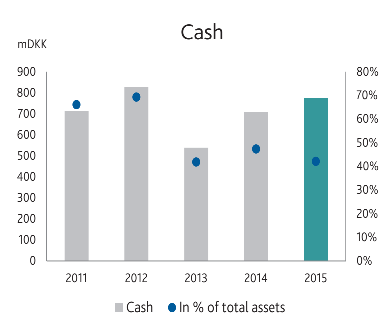
Profit before tax for 2015 amounts to mDKK 101, which is an increase of mDKK 80 from 2014. A profit before tax graph for the years 2011-2015 is included below.

In 2015, BWSC has been working on projects in which BWSC also has an ownership share. Due to the accounting legislation, part of the profit on these projects has to be eliminated and taken to income over the lifetime of the plants when in operation. For 2015, mDKK 45 has been eliminated compared to mDKK 19 for 2014. Adjusted for the elimination, the profit ratio (profit before tax in relation to revenue) would improve from 4.8% to 6.9% for 2015 and from 1.2% to 2.2% for 2014.

In 2015, BWSC has committed an investment of 3.36% of the Tilbury project in the UK, which is in line with our strategy. The







plant will be built by BWSC over the next two and half years, and the project has furthermore ensured BWSC an O&M contract as mentioned above.

The not yet paid in committed investments amount to mDKK 55 for all investments, which will be paid in 2016. The total investments in power plants will be close to mDKK 500 when the not yet paid in amount has been paid.

For 2015, cash flow from operating activities and investments amounts to mDKK 273 (2014: mDKK 324) and mDKK 195 (2014: mDKK 121), respectively, which has ensured BWSC a free cash flow of mDKK 78 for 2015 (2014: mDKK 202). The free cash flow has been used for repayment of mortgage debt of mDKK 3 (2014: mDKK 3) dividend payments of mDKK 15 (2014: mDKK 30), a deposit of mDKK 6 (2014: mDKK 0) has been paid in, and the remaining free cash flow has increased cash by mDKK 66 (2014: mDKK 170). BWSC's cash position continues to be strong with cash of mDKK 774 at the end of 2015 (2014: mDKK 708), and cash represents 42% of total assets.

Equity amounts to mDKK 727 (2014: mDKK 630), and the solidity level (equity in relation to equity and total liabilities) is still high with 40%. Return on equity for 2015 amounts to 11%. The total eliminated profit on power plants built by BWSC due to BWSC's ownership share amounts to mDKK 88 at 31 December 2015. The total eliminated profit is mainly related to the years 2013-2015 and will be taken to income over the lifetime of the power plants when in operation.

Further insight into the financial performance for 2015 is included in the notes to the financial statements. A short reading instruction to the notes to the financial statements is included on page 37.

Financial expectations for 2015 realised

In the Annual Report 2014, the revenue for 2015 was expected to increase materially. With a revenue increase of 16% to mDKK 2,106 in 2015, revenue expectations have been realised. The profit ratio has reached 4.8% which is in line with the expectations stated in the Annual Report 2014.

The order intake for 2015 of mDKK 2,655 is significantly above the expectations for 2015.

Events in 2015

A number of important events have taken place in 2015. A couple of these are highlighted below

Q1

Tilbury EPC and O&M contract obtained

- The biomass power plant is located close to London and is expected to generate enough electricity to power more than 80,000 homes per year when commissioned in 2017
- Up to 300 jobs will be created during construction and nearly 50 jobs when in operation

Q2

Establishment of new service workshop in Panama.

- With the establishment of the workshop in Panama, BWSC is able to provide service, maintenance and repair facilities in the region and within short distance from many of the BWSC built power plants in the area

Q3

Cramlington EPC and O&M contract obtained

- The biomass power plant will be based on the reheat technology and will be the first of its kind in the UK. The reheat technology improves fuel efficiency and provides a higher plant output. The plant will be commissioned at the end of 2017
- Up to 240 jobs will be created during construction and nearly 25 jobs when in operation

Q4

Completion of the Brigg REP

- In Q4, preparations for the completion of the Brigg REP were ongoing. The power plant was handed over 3 months ahead of schedule in January 2016.
- It is the first power plant completed by the joint venture between Copenhagen Infrastructure Partners, PensionDanmark and BWSC.

RISK MANAGEMENT

Risk and risk management is a fundamental part of our business. BWSC's business includes large turnkey construction projects and service projects in a number of jurisdictions and related contracts with sub-suppliers and consortium partners, which exposes BWSC to a number of risks

BWSC holds comprehensive experience within engineering, procurement, construction and servicing, which has been accumulated during construction of more than 175 power plants in more than 50 countries and a large number of service projects and investments. The experience contributes to reducing potential risks. Risk will always be a significant factor in large construction and service projects, and each project is carefully evaluated in the planning and execution phases.

BWSC continuously assesses risks, including possible consequences (positive or negative) and mitigating actions. Below is a summary of some of the risks and the mitigating actions for a number of risks which BWSC are exposed to:

RISK	CONTEXT	MITIGATION
Projects	A large part of BWSC's business consists of being responsible for Engineering, Procurement and Construction (EPC) and O&M contracts for large and complex power plants. A number of BWSC's projects are located in remote locations where the infrastructural, political, administrative and judicial structure standards have not yet been fully developed or can change rapidly. This can pose significant logistical challenges as well as country-specific and political risks. Diligent project execution is vital to secure delivery on time and according to budget and specifications. Lack of same can cause significant cost overruns.	BWSC focuses its proposal activities to projects which match BWSC's strategic goals and core competences. This ensures that BWSC will only be involved in projects where the Company has an acceptable risk profile. All large EPC and O&M tenders must be reviewed and approved in accordance with the BWSC Risk Management Process described on page 16. Project Management is on an ongoing basis reviewing the risks in each EPC and O&M project. As a minimum, Management is reviewing all EPC and O&M projects on a quarterly basis. Based on the assessment, a monetary value on the net risks is set. In special circumstances, a task force is established with a number of different skills to manage the special risks.
Procurement	Manufacturing for EPC projects is performed by either consortium partners, delegated to a global network of subcontractors or suppliers. This approach has proven to be a robust and sustainable business setup which is suitable for a cyclical industry.	To mitigate procurement risks, BWSC continues to broaden the supply base by building relations with new equipment manufacturers and civil works contractors as well as entering into long-term consortium or supplier agreements with important suppliers.

RISK	CONTEXT	MITIGATION
Markets and competition	In the short term, the market for diesel is characterised by an emerging number of projects, but the interest in renewable technologies and flexible fueling might affect the market. The current biomass market in the UK is expected to come to an end soon and be replaced by projects with focus on gasification and Combined Heat and Power. Possibilities in non-UK markets are expected to materialise going forward.	BWSC's flexible cost structure and the current backlog mean that BWSC is able to adjust the cost level to mitigate the impact of changed business cycles and to cushion the effect of any market trends. In order to mitigate the effect of such situations, BWSC monitors a number of indicators in key markets and develop contingency plans in order to reduce costs if needed, thereby protecting the Group's profitability and financial position.
Human resources	In a knowledge-based company like BWSC, the employees are our most important resource. It is an ongoing focus area to attract and retain employees with the competencies needed to continue to develop BWSC's business.	BWSC is focusing on staying competitive on the job market as an attractive and professional employer. Furthermore, focus is on training, educating and developing the skills and competencies of the employees. Monitoring and proactively reacting on HR related KPI's is furthermore in focus.

Risk sharing between BWSC and the customer is based on a rational split of responsibility. BWSC's responsibility is contained to risks within our control, i.e. construction on time, within budget, guaranteeing efficiency and availability of the plant. The plant owner is responsible for fundamental supply issues relating to, for example, fuel supply.

BWSC's activities consist of a portfolio of diesel and renewable projects in different countries. The portfolio of projects changes from year to year. The projects are not based on the same technology, and furthermore, the main suppliers vary from project to project. The portfolio approach is essential to the overall risk management for the BWSC Group.

The power plant industry is cyclical by nature. However, BWSC's business setup allows us to manoeuvre safely through the cycles which are described in more detail in the BWSC – who we are on page 7.

Besides the operational risks specified above, BWSC is also exposed to currency, interest, counterpart and liquidity risks which are less material and are mentioned in note section 5 to the Financial Statements.

At the end of 2015, BWSC has invested in eight power plants in four countries (Kenya, Panama, Sri Lanka and the UK) of which three are diesel power plants and five are biomass power plants. Investments in different technologies and countries are key elements in managing the investment risk. The three diesel power plants and two biomass plants are in operation, but three biomass power plants in the UK are still under construction, and the main risk is currently related to these biomass power plants. Of the three biomass power plants under construction, the Brigg Power Plant went into operation in January 2016. BWSC is responsible for the construction of the remaining two biomass power plants and has also entered into long-term O&M contracts which mitigate a material part of BWSC's investment risks. Further insight into the financials of the investments is included in note 3.3 to the Financial Statements.

Decreasing risk picture
The below schedule specifies the development in the risk picture for BWSC divided into Investments, EPC and Other for 2015 and 2014. Other primarily includes O&M execution and the sales pipeline. The assessment of the risk picture is not an absolute measure, but an assessment of the likelihood of risks materialising and the earnings impact within the specified area to provide insight into BWSC's view of the risk development.

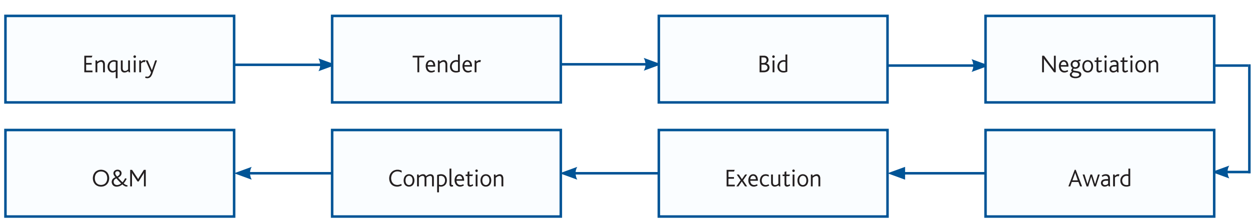
Risk related to:	2015	2014
Investment	**	***
EPC	**	***
Other	*	*
Total	**	***

The number of * represents BWSC's subjective assessment of earnings exposure to the risk:

* Lowest exposure
** Medium exposure
*** Highest exposure

Several projects have progressed positively, and furthermore, the number of EPC projects and large O&M projects has increased over the years, which has ensured a portfolio of projects to better balance the total risk of BWSC. The financial position of BWSC has further strengthened in 2015.

BWSC's Risk Management Process
Risk management within BWSC follows the project life cycle and addresses risks ranging from Compliance, Finance, Legal, and Construction to Operation and Maintenance.



As part of the initial screening of a project, a Know Your Customer (KYC) analysis is undertaken as well as a review of all major stakeholders involved.

Before signing large EPC contracts, BWSC has to go through a formalised Risk Check List (RCL) procedure covering all aspects of the project including technical issues, contractual terms and conditions, profitability, project planning and general risk assessment. The RCL has to be approved by the CEO, the Board of Directors and our Japanese Parent Company MES (Mitsui Engineering & Shipbuilding Co., Ltd.).

Emphasis is for instance on the planning of project execution thereby ensuring that the road is paved for a smooth implementation, etc. Strong project management and ongoing follow up on project milestones are prerequisites for a successful project implementation.

If BWSC is to be involved in O&M, all contractual issues, incl. interface issues with the EPC contract, are addressed and agreed prior to entering into the EPC contract.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is at the very core of our business

Behaving in a responsible manner has always been essential to BWSC, and the BWSC CSR Statement is the basis of our CSR work together with other policies, guidelines, tone from the top, etc. Tone from the top has been and will continue to be a key element in our CSR work to ensure ongoing adjustments and adherence to responsible behaviour by BWSC.

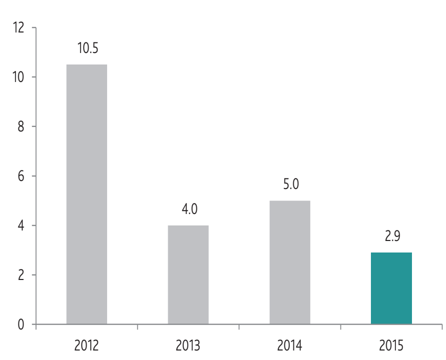
All employees must comply with the CSR Statement which confirms our commitment to perform our business in a responsible manner. The CSR Statement is based on the UN Global Compact 10 principles which have been grouped into three main sections; Human and Labour Rights, Business Integrity and Environment. The CSR Statement is available on BWSC's homepage.

On an ongoing basis, we ensure that the CSR Statement is incorporated into our business processes.

Based on the implementation of the Modern Slavery Act in the UK, the BWSC CSR Statement has been updated to ensure that all details of the new act are incorporated into the statement. The Modern Slavery Act focuses on offences of 'slavery, servitude and forced and compulsory labour' and 'human trafficking'. For 2016, we will report separately on our Modern Slavery Act initiatives, but our assessment is that Modern Slavery is not an issue for the BWSC business. Furthermore, our commitment to minimise the impact on the climate has been made more specific in the CSR Statement.

The following sections elaborate on the key elements of BWSC's CSR work.

Lost Time Injury Frequency (LTIF) year 2012-2015
(calculated per million hours worked)



The main CSR impact on BWSC's business

BWSC is a turnkey contractor building power plants with focus on Europe, Central and South America, Middle East, Africa and Asia. BWSC furthermore provides a variety of post construction services for power plants, including Operation & Maintenance. BWSC also invests in power plants. Further details are included in the BWSC – who we are section of the Management's Review.

Running large construction sites and operating power plants with heavy machinery increases the risk of work accidents, and accordingly, Health and Safety is a key focus point for BWSC.

BWSC is operating in parts of the world with a higher degree of corruption and bribery than in Denmark, and accordingly, Business Integrity is a key focus point for BWSC.

Basically, BWSC has two applications; Diesel and Gas applications and Biomass applications. The Diesel and Gas applications have an impact on the climate via CO_2 emissions. Together with our partners and customers, BWSC is focusing on reducing the impact on the climate.

Human and Labour Rights

For BWSC, Human and Labour Rights include Diversity and Non-discrimination, Freedom of Association, Child Labour, Forced Labour and Health and Safety. Based on an assessment of the key risks in BWSC's business, the focus is primarily on Health and Safety.

Health and Safety are key elements in BWSC's QHSE policy (Quality, Health, Safety and Environment). The current version of the policy was implemented in 2013. In 2014, BWSC received the ISO 9001 certificate (ISO 9001: Quality Management) which has a main focus on Health and Safety. BWSC attaches great importance to the working environment, and that all employees, suppliers and contractors adhere to the strict procedures for a safe workplace.

The efforts to reduce work accidents have resulted in a declining Lost Time Injury Frequency (LTIF) over the years. The LTIF number includes BWSC employees' as well as suppliers' and contractors' accidents on BWSC sites.

Zero lost time injuries and work related illnesses are the ultimate goal. The LTIF target for 2015 was four, and a target of 3.5 has been set for 2016.

A number of initiatives have been introduced over the years to further improve the Health and Safety performance. In 2015, the following has for instance been introduced:

- Employment of Site Health & Safety advisors on all construction sites
- Mandatory Health & Safety training of supervisory and site management staff

QHSE Committee
BWSC has in 2015 established a QHSE Committee which will meet at least four times yearly and i.a. focuses on Health and Safety. Managers from the main departments of BWSC will be joined by a member of the Management Group to support the Management Group in overseeing that BWSC's QHSE initiatives develop according to plan.

Human Rights, Diversity and Non-discrimination, Freedom of Association, Child Labour and Forced and Compulsory Labour are generally not assessed as issues in the power plant industry. Even though these elements are generally not assessed as issues, a target of 80% of all suppliers with annual sales to BWSC exceeding mDKK 0.5 to sign up to the principles of UN Global Compact's statements of Human and Labour Rights has been set. At the end of 2015, just below 50% had signed up, and the target of 80% by end-2016 is expected to be met.

BWSC observes Human and Labour Rights in any aspect of the business activities and will not tolerate any violation of Human and Labour Rights.

As mentioned in further detail in the BWSC – who we are section, the OHSAS 18001 Health & Safety Management system is expected to be introduced in 2016.

Under-represented gender in management
Equal opportunities for all employees is important to BWSC, and accordingly, we do not differentiate on the basis of gender, race or religion when people are employed, when training programmes are offered to employees or when employees are promoted.

Out of the total number of employees at the head office, 81 are women (2014: 67), which represents 22% of all BWSC employees (2014: 23%). Our industry has an overrepresentation of men, which makes it difficult to ensure a more balanced distribution between men and women in BWSC. The BWSC organisation at the head office includes 51 employees (2014: 44), who are working at managerial level. 6 managers are women (2014: 7), which corresponds to 12% (2014: 16%) of the total number of employees working on managerial level. The number is considered reasonable when comparing to the gender composition in the contracting industry in general. Women in management will continue to be in focus over the coming years, and the future share of women in management should be above the current level.

A target stating that one member of the Board of Directors of Burmeister & Wain Scandinavian Contractor A/S elected by the General Assembly must be a woman by 2017 has been set. Today, the Board of Directors consists of one employee elected woman but no general assembly elected women. In 2015, Bjarne Moltke Hansen was elected a new member of the Board of Directors based on his deep insight into the global contracting business and BWSC's business model.

During the election process, the shareholder together with the Chairman of the Board of Directors had carefully considered female candidates for the new Board of Directors position. Unfortunately, no candidate with the sufficient contracting and global insight into the business of BWSC was identified. In order to ensure compliance with the policy, BWSC will actively be searching for women with competencies within the contracting industry when considering changes to the Board of Directors going forward. However, it is a challenge because few women have top level management experience within this field.

QHSE training on site

Donation to a school in Sri Lanka
A BWSC associated company in Sri Lanka has made it a tradition to raise funds for local causes. In 2015, funds were raised for a local school in the Northern Central Province of Sri Lanka. Books, pens and school bags were among the donations for the school and the children.

Business Integrity

For BWSC, Business Integrity includes compliance with Law, Fair trading, Anti-corruption and Money Laundering. Based on an assessment of the key risks in BWSC's business, focus is on corruption and bribery due to the markets and industry in which BWSC operates.

BWSC has established a comprehensive Code of Conduct which reflects BWSC's zero tolerance towards corruption and bribery. Continuous efforts are made to ensure that all employees, suppliers, customers, consortium partners, local advisors etc. are adhering to the Code of Conduct. All new employees must attend an introduction seminar where they are introduced to the Code of Conduct and the Whistleblower system, which was a target for 2015. 100% of all new employees have attended the seminar in 2015. For 2016, the target is again that all new employees must attend the introduction seminar. In 2016, a web training tool will furthermore be introduced to ensure that all employees keep Business Integrity a top priority.

A Know Your Customer (KYC) review is performed via an external IT tool which for instance includes Global Watch list for financial crime and sanctioned companies and goods. All EPC and O&M contract customers, key suppliers, consortium partners and local advisors have been reviewed using the tool, which is in line with the target set for 2015. For 2016, the target is again that key customers, suppliers, consortium partners, local advisors etc. must be reviewed using the tool.

A target of 80% of all suppliers, consortium partners and local advisors with a revenue exceeding mDKK 0.5 to sign up to the principles of UN Global Compact related to Business Integrity before end-2016 has been set. At the end of 2015, just below 50% had signed up, and the target of 80% by the end of 2016 is expected to be met.

In 2013, BWSC implemented a Whistleblower system via an external provider which allows all BWSC's employees to make anonymous reporting of misconduct, fraud and other criminal activities. No disciplinary actions have been taken in 2015 based on reporting via the Whistleblower system.

BWSC observes Business Integrity in any aspect of its business activities and will not tolerate any violation of Business Integrity.

Environment

For BWSC, the Environment includes compliance with environmental laws, minimise impact on the environment and climate, reduction of consumption of resources and responsible and safe handling of waste. The sustainability and competitiveness of our business will – together with our partners – be based on innovation of environmentally friendly products.

For BWSC, it is essential to keep constant focus on developing energy efficient power plants together with our partners in all parts of the world to enhance the quality of life for people. The quality of life should be enhanced through a balance between low environmental impact and low cost of ownership for the power plant owners to ensure power at reasonable prices to the customers.

BWSC observes the Environment in any aspect of its business activities and will not tolerate any violation of Environmental laws and standards.

Straw is one of the main fuel types on the biomass power plants built by BWSC.

CO_2 emission reporting
Greenhouse gas emissions (CO_2) can be categorised into three groups or 'scopes'. While scope 1 and 2 cover direct emission sources caused by BWSC, scope 3 emissions cover all indirect emissions due to the activities of BWSC. Below, the three scopes are described in more detail:

Scope 1: Emissions emanating from sources that are owned or controlled by BWSC
Scope 2: Emissions emanating from electricity, heating and cooling purchased by BWSC
Scope 3: Emissions emanating from purchased goods or services, business aircraft travel, customers' use of power plants, etc.

For 2016, BWSC will start to report, and targets will be set for scope 1 and 2.

Basically, BWSC has two applications; Diesel and gas applications and biomass applications.

Diesel and gas applications
Diesel engines are among the most efficient prime movers for power plants between 10-300 MW ensuring low resource consumption. Depending on the project specification from the customer, BWSC offers gas or dual-fuel power plants with reduced CO_2 emissions compared to diesel applications and/or to include abatement for further emission reductions. BWSC also seeks opportunities to increase efficiency by utilisation of waste heat to augment the electricity generation efficiency or for CHP (Combined Heat and Power) or other co-generation purposes.

The main environmental impact from the diesel and gas application is the emission of CO_2, and associated environmental impact includes primarily NOx (nitrogen oxides) and SOx (sulphur oxides) from the use of the power plants (scope 3 emissions). Increased NOx and SOx standards are being applied which are driving down the NOx and SOx environmental impact from power plants designed and built by BWSC. BWSC's key focus is on a CO_2 emission reduction over the life cycle of the plant, which goes hand in hand with our customers' focus on improvement of plant efficiency.

The CO_2 impact and efficiency of diesel and gas fuelled power plants built by BWSC have over the years improved, and today, BWSC, together with our partners, are among the leading providers of diesel fuelled power plants with low CO_2 emissions and high efficiency. The CO_2 impact differs from project to project based on the specification set by the customer, and accordingly, no scope 3 CO_2 emission target has been set, but we will always strive to ensure low CO_2 emissions in order to protect the environment and ensure high efficiency for our customers.

Project specification impacts the environment
The project specification which sets the key parameters for the design of the project has a material impact on the CO_2 emissions over the life cycle of the plant. The project specification is set by the customer, and for BWSC to be awarded a contract, we need to be within the project specifications. Even though BWSC recommends the customer to make changes to the project specifications to reduce CO_2 emissions and improve the efficiency of the plant, this needs to be conducted in a transparent way, and it is often difficult to impact the project specifications set by the customer. Thus, BWSC will from time to time be building power plants where the life cycle CO_2 emissions could be lower, but the power plants will still be more efficient and with lower CO_2 emissions than old power plants in operation. The power plants will always be in accordance with environmental legislation which is setting increasing standards for the environmental impact.

Biomass applications

Biomass power plants are in general accepted as CO_2 neutral due to the fact that biomass, if not combusted, would release the same amount of CO_2 through natural decomposition. Furthermore, as consumed biomass may be replaced by planting new trees or crops, biomass fuelled power generation is considered a renewable energy source.

The biomass power plants delivered by BWSC are based on straw or wood, and BWSC focuses on maximising the use of the scarce biomass resources which also improves the financial performance of the biomass plant for the owners. No further scope 3 CO_2 emission targets for biomass power plants have been set.

COP21 Paris Agreement

On 12 December 2015, the Paris Agreement was adopted by 196 countries following negotiations at the COP21 UN Climate Change Conference in Paris. The key point of the agreement is the commitment to keep the rise in global temperatures below 2 degrees while striving to limit them even more to 1.5 degrees.

Over time, the COP21 Agreement is expected to have an important impact on the power generation industry via increased standards by regulators, customers and financial institutions focusing on CO_2 emission reduction to ensure the license to operate for the power generation companies.

Fuel handling at Lisahally Biomass Project, Northern Ireland

2016 OUTLOOK

Increase in profit before tax for 2016

The order intake for 2015 has been high with bDKK 2.7, which together with the even higher order intake of bDKK 3.8 and bDKK 3.7 for 2013 and 2014, respectively, has ensured BWSC a strong order backlog for 2016. For 2016, the order intake is expected to be in the range of bDKK 2.0 to bDKK 2.6. The strong order backlog of bDKK 6.6 ensures a high degree of visibility into 2016 regarding the projects which BWSC will be working on. Further projects are expected to materialise in 2016 and will ensure an order backlog at end-December 2016 at almost the same level as at end-December 2015.

Revenue for 2016 is expected to increase compared to the bDKK 2.1 revenue for 2015.

In 2016, BWSC will be working on projects where BWSC is co-owner of the plants. Part of the profit on the co-owned plants during construction will be eliminated in the profit and loss statement, which will have a negative impact on the profit before tax ratio for 2016. The eliminated profit will be taken to income over the life-time of the investments when in operation. The profit before tax ratio for 2016 (profit before tax multiplied by 100/revenue) is expected to be below 5% due to the elimination of part of the profit on the co-owned projects, but profit before tax for 2016 is expected to increase compared to the mDKK 101 for 2015.

The solidity ratio of 40% at end-2015 is expected to be maintained or improved in 2016.

As stated in the 2015 Financial Review section, BWSC has claimed a client for costs in connection with suspension. Currently, the claim negotiations have not been finalised, and a material part of the claim income cannot be recognised as income in the project accounts. The settlement, which is not included in the above mentioned outlook for 2016, could have a material positive impact on profit before tax for 2016.

Forward-looking statements
Statements in the Annual Report 2015 concerning the future reflect BWSC's current expectations with regard to future events and financial results. Statements regarding the future are naturally subject to uncertainty, and actual results may differ from expected results. Differences may be caused by, but are not limited to, economic and financial markets development, development in product demand, project execution, competitive conditions etc. See also the Risk Management section of the Management's Review.

BWSC disclaims any liability to update or adjust statements in the Annual Report 2015 about future or possible reasons for differences between actual and anticipated results expect where required by legislation.

Sleaford Biomass Plant, UK

CORPORATE GOVERNANCE

The Board of Directors consists of 10 members and comprises three representatives from the ultimate Parent Company, four external members and three employees elected by BWSC employees

Ownership

BWSC is 100%-owned by Mesco Denmark A/S, which is owned by our ultimate Parent Company Mitsui Engineering & Shipbuilding Co., Ltd., Tokyo, Japan (MES). MES is listed on the Tokyo Stock Exchange. The Financial Statements of BWSC is consolidated into the Financial Statements of MES. Further information is available on www.mes.co.jp or on page 10.

Financial reporting

BWSC's consolidated Financial Statements are prepared according to the Danish Financial Statements Act. They are published in English. The financial year covers the period 1 January to 31 December, and 2015 is the company's 36th financial year. BWSC is not obliged to publish interim reports and does not do so at present.

Board of Directors

BWSC's Board of Directors is elected every year at the Annual General Meeting. The Board of Directors consists of 10 members and comprises three representatives from the ultimate Parent Company MES, four external members and three employee members elected by the BWSC employees for a term of four years. In November 2015, the Board of Directors was expanded from nine to 10 members as Bjarne Moltke Hansen was appointed new board member. The chairman of the Board of Directors is an external member, and the Deputy Chairman is a representative from the ultimate Parent Company. The nationalities of the members are three Japanese, one Brit and six Danes.

The current term for the employee elected members expires in 2016, and election of employee elected board representatives and alternates was therefore carried out in February 2016 with the election of Michelle Runge Christensen, Martin Wittrup Hansen and Tanja Hedager. The new board members will enter the Board of Directors at the Annual General Meeting in February.

All members contribute with valuable knowledge and experience in areas such as EPC and Generation Services business, general management and finance.

Directorships held by the Board of Directors in other companies can be found on page 26 of this report.

The Board of Directors meets at least four times a year. The procedures followed by the Board of Directors were last updated in February 2013. BWSC's Management is represented at the board meetings by the CEO and the CFO. Besides the four annual meetings, the Board of Directors and the BWSC Management Group also have an annual Strategy Seminar to review the plans for the year to come.

A monthly report delivered by the BWSC Management keeps the Board of Directors informed of the Company's key development and performance. Furthermore, the quarterly report included in the board material informs the Board of Directors in more detail about material developments.

Remuneration

The members of the Board of Directors receive a fixed fee. The Chairman receives double the base amount of the ordinary Board members. If a Board of Directors' committee is set up, the members may receive a fee for the assignment. All BWSC Executive Management and Management Group members receive a fixed salary and a cash bonus. The bonus scheme is based on individual goals and the Company's overall result. Any changes to the remuneration for the Executive Management and Management Group must be approved by the Chairman of the Board of Directors. Total remuneration for the Board of Directors and the Executive Management is presented in note 2.2 to the Financial Statements.

Air Cooling Condenser at the Snetterton REP, UK

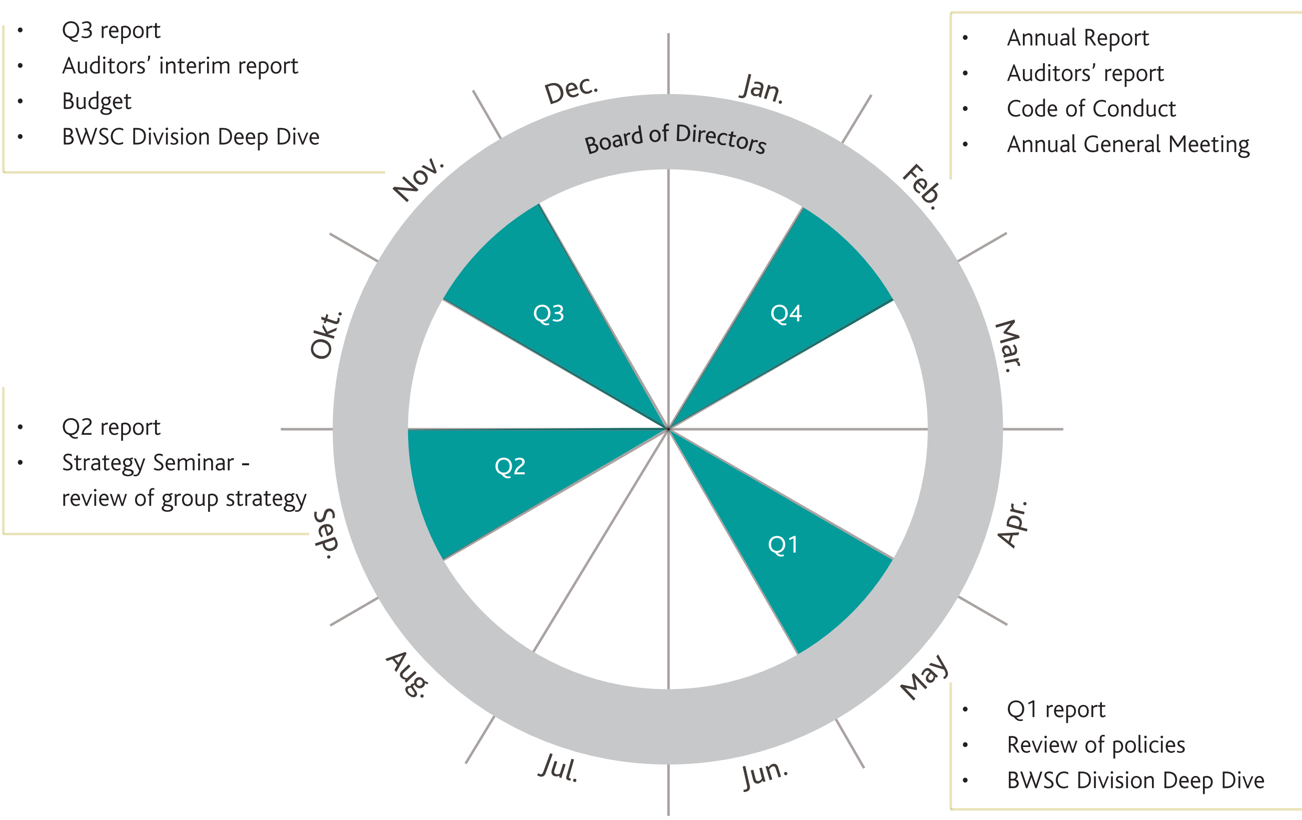
Audit
KPMG was re-elected as BWSC's auditors for 2015 and will be proposed as auditors for 2016 at the Annual General Meeting. The auditor has been elected based on the recommendation from the ultimate Parent Company. The auditor participates in the Board meeting in which the Annual Report is presented and approved. At least twice a year, the auditor prepares an auditors' long form report for the Board of Directors which gives an overview of for instance the Group audit plan and findings.

Organisation
The BWSC Group Management is based at our head office in Allerød, Denmark. Group Management consists of Anders Heine Jensen, CEO, Karsten Riis Andersen, CFO, Claus Berner, Director HR & Corporate Administration, Christian Grundtvig, Director Generation Services & Production and Director Project Development & Investments, Anders Benfeldt, Director Contracting and Martin Kok Jensen, Director Sales & Marketing.

Group structure
A subsidiary or a branch is established to enable BWSC to perform the activities in the country where the power plant is being built or the service activities are carried out. In note 6.6 to the Financial Statements, BWSC Group companies and branches are listed.

Code of Conduct
BWSC is committed to conducting its business with a high degree of integrity and ethics, and BWSC's customers and stakeholders must view BWSC as a reliable and honest company that always lives up to its commitments. BWSC does not tolerate any form of corruption, bribery or anti-competitive activities, and it is BWSC's policy to comply with the relevant laws in Denmark and in each of the markets where BWSC operates or is established. These principles are stated in BWSC's Code of Conduct which applies to BWSC's directors, managers and employees as well as all external third parties who provide services to, for or on behalf of BWSC. Further insight into business integrity is provided on page 19.

Key elements of the work of the Board of Directors



Cayman Phase 5, Cayman Island

Installation of boilers

BOARD OF DIRECTORS

Torkil Bentzen

Chairman

Directorships:

- FLSmidth A/S, Vice chairman
- TGE Marine AG, Chairman
- The Climate Consortium, Denmark
- Mesco Denmark A/S
- Siemens Aktieselskab
- Senior Advisor to the Board of Directors of MES

Hiroyuki Komine

Deputy Chairman

Managing Executive Officer, MES

General Manager of Engineering Hq., MES

Directorships:

- Various companies in MES

Yuji Kozai

Executive Officer, MES

General Manager of Corporate Planning Dept., MES

Directorships:

- Various companies in MES

Katsuhisa Ohno

Advisor, MES

Directorships:

- Various companies

Michael Hedegaard Lyng

Group Executive Director, NKT Holding A/S

CEO, NKT Cables Group

Directorships:

- Various companies in the NKT Holding A/S group
- Topsil Semiconductor Materials A/S
- Investeringsselskabet Luxor A/S

Iain Miller

Directorships:

- No other Board memberships

Bjarne Moltke Hansen

Group Executive Vice President, FLSmidth A/S

Directorships:

- RMIG A/S

Birgit Svensson

Willy S. Henriksen

Lars Ellegaard

Employee-elected board members: No other directorships.

The new employee-elected board members will join the Board of Directors at the Annual General Meeting on 23 February 2016 (see page 23).

MES: Mitsui Engineering & Shipbuilding Co., Ltd., Japan

MANAGEMENT GROUP

In the front from left: Karsten Riis Andersen, CFO, Anders Heine Jensen, CEO, Claus Berner, Director, HR & Corporate Administration, Christian Grundtvig, Director, Generation Services and Production and Director, Project Development & Investments.

In the back from left: Anders Benfeldt, Director, Contracting, Martin Kok Jensen, Director, Sales & Marketing.

Anders Heine Jensen was appointed CEO in 2011 and joined BWSC in 2008. He is Vice Chairman of the Danish Association of Biogas and Board Member of the International Market Committee under the Confederation of Danish Industry, DI Energi and Haldor Topsøe A/S. Former work experience includes DONG Energy and A.P. Møller-Mærsk. Anders Heine Jensen holds a Master's Degree in Mechanical Engineering and a Bachelor's Degree in Economics.

MANAGEMENT'S STATEMENT & AUDITORS' REPORT

Brigg REP, UK

The Brigg biomass power plant will produce enough energy to supply 70,000 households with power

MANAGEMENT'S STATEMENT

Today, the Executive Management and Board of Directors have discussed and adopted the Annual Report for 2015 of Burmeister & Wain Scandinavian Contractor A/S.

The Annual Report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Financial Statements give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2015, as well as of the results of the Group's and the Company's operations and the Group's consolidated cash flows for the financial year ended 31 December 2015.

In addition, it is our opinion that the Management Review gives a true and fair view of the development in the Group's and the Company's operations and economic conditions, the year's result and of the Group's and the Company's financial position.

It is recommended that the Annual Report be approved at the Annual General Meeting.

Allerød, 23 February 2016

Executive Management

Anders Heine Jensen Chief Executive Officer	Karsten Riis Andersen Chief Financial Officer

Board of Directors

Torkil Bentzen
(Chairman)

Hiroyuki Komine (Deputy Chairman)	Yuji Kozai	Katsuhisa Ohno
Michael Hedegaard Lyng	Iain Miller	Bjarne Moltke Hansen
Birgit Svensson*)	Willy S. Henriksen*)	Lars Ellegaard*)

The Annual Report 2015 is adopted at the Annual General Meeting on 23 February 2016.

*) Elected by employees

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Burmeister & Wain Scandinavian Contractor A/S

Independent auditors' report on the consolidated Financial Statements and the Parent Company Financial Statements

We have audited the consolidated Financial Statements and the Parent Company Financial Statements of Burmeister & Wain Scandinavian Contractor A/S for the financial year 1 January - 31 December 2015. The consolidated Financial Statements and the Parent Company Financial Statements comprise accounting policies, Income Statement, Balance Sheet, statement of changes in equity and notes for the Group as well as for the Parent Company and consolidated cash flow statement. The consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of consolidated Financial Statements and Parent Company Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation of consolidated financial statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015 in accordance with the Danish Financial Statements Act.

Statement on the Management's Review

Pursuant to the Danish Financial Statements Act, we have read the Management's Review. We have not performed any further procedures in addition to the audit of the consolidated Financial Statements and the Parent Company Financial Statements. On this basis, it is our opinion that the information provided in the Management's Review is consistent with the consolidated Financial Statements and the Parent Company Financial Statements.

Copenhagen, 23 February 2016

KPMG

Statsautoriseret Revisionspartnerselskab
CVR No. 25578198

Per Ejsing Olsen
State Authorised Public Accountant

Niels Vendelbo
State Authorised Public Accountant

FINANCIAL STATEMENTS

Lisahally Power Station, Northern Ireland

The Lisahally biomass power plant achieved in December 2015 TOC (Taking over Certificate)

INCOME STATEMENT

tDKK

Parent Company				The Group	
2014	**2015**	**Notes**		**2015**	**2014**
1,604,384	1,892,995	2.1	Revenue	2,105,699	1,815,012
-1,508,587	-1,658,900		Costs of production	-1,861,767	-1,684,062
95,797	**234,095**		**Gross profit**	**243,932**	**130,950**
-40,144	-46,473		Sales costs	-46,434	-40,011
-87,640	-108,549		Administrative costs	-111,614	-95,626
4,788	0		Other operating income	0	4,788
-27,199	**79,073**		**Operating profit/loss**	**85,884**	**101**
10,859	1,233	3.3	Profit on investments in subsidiaries	0	0
15,264	7,803	3.3	Profit on investments in associated companies	7,803	15,264
-1,076	**88,109**		**Profit/loss before non-operating items**	**93,687**	**15,365**
9,340	9,247		Financial income	11,835	9,626
-2,050	-2,671		Financial costs	-4,750	-3,694
6,214	**94,685**		**Profit before tax**	**100,772**	**21,297**
5,263	-18,257	2.4	Tax on profit for the year	-24,344	-3,888
11,477	**76,428**		**Profit for the year**	**76,428**	**17,409**
			Minority interests	0	-5,932
			The Parent Company's share of profit for the year	**76,428**	**11,477**

It is recommended that the profit of the year, tDKK 76,428 is appropriated as follows:

Parent company			
2014	**2015**		
15,000	38,000		Proposed dividend
-6,455	-44,470	3.3	Transferred from net revaluation reserves
2,932	82,898		Retained earnings
11,477	**76,428**		

CASH FLOW STATEMENT

tDKK

		The Group	
	Notes	2015	2014
Operating profit		85,884	101
Adjustments	6.4	39,970	72,370
Changes in working capital	4.4	144,646	256,616
Cash flows from operating activities before net financials		270,500	329,087
Financial income		11,680	9,099
Financial costs		-4,750	-1,022
Cash flows from ordinary activities		277,430	337,164
Taxes paid		-4,271	-13,545
Cash flows from operating activities		**273,159**	**323,619**
Additions of tangible assets		-5,810	-5,107
Additions of intangible assets		-11,610	-6,783
Dividends received from associated companies		7,867	9,902
Investments in associated companies		-197,889	-194,516
Disposals of investments in associated companies		12,485	75,222
Cash flows from investing activities		**-194,957**	**-121,282**
Other long-term liabilities		6,067	0
Repayment of mortgage debt		-3,135	-3,055
Dividends distributed		-15,000	-29,500
Cash flows from financing activities		**-12,068**	**-32,555**
Cash at beginning of year		707,537	537,755
Changes in cash		66,134	169,782
Cash at year-end		**773,671**	**707,537**

The cash flow statement cannot be derived directly from the Income Statement and Balance Sheet.

BALANCE SHEET, ASSETS

tDKK

Parent Company				The Group	
2014	**2015**	**Notes**		**2015**	**2014**
21,023	20,617		Software and goodwill	22,318	21,023
21,023	**20,617**	3.1	**Intangible fixed assets**	**22,318**	**21,023**
70,558	69,339		Land and buildings	69,339	70,558
4,652	4,528		Fixture and fittings, tools and equipment	8,350	7,010
75,210	**73,867**	3.2	**Tangible fixed assets**	**77,689**	**77,568**
31,286	36,564		Investments in subsidiaries	0	0
264,468	448,442		Investment in associated companies	448,442	264,468
1,499	1,499		Other securities	1,499	1,499
297,253	**486,505**	3.3	**Financial fixed assets**	**449,941**	**265,967**
393,486	**580,989**		**Total fixed assets**	**549,948**	**364,558**
3,934	0		Raw materials and consumables	1,885	4,323
3,934	**0**		**Inventories**	**1,885**	**4,323**
30,488	45,438		Trade debtors	63,378	45,349
246,369	363,634	4.1	Contract work in progress	363,634	258,676
18,341	9,806		Amounts owed by related companies	0	14,792
12,348	4,288		Amounts owed by associated companies	7,316	17,001
7,074	93		Receivable corporate taxes	352	7,449
66,808	61,408	4.2	Other debtors	69,631	72,684
2,915	6,039		Prepayments	6,119	3,155
384,343	**490,706**		**Debtors**	**510,430**	**419,106**
682,496	**750,541**		**Cash**	**773,671**	**707,537**
1,070,773	**1,241,247**		**Total current assets**	**1,285,986**	**1,130,966**
1,464,259	**1,822,236**		**TOTAL ASSETS**	**1,835,934**	**1,495,524**

BALANCE SHEET, EQUITY AND LIABILITIES

tDKK

Parent Company				The Group	
2014	**2015**	**Notes**		**2015**	**2014**
150,000	150,000		Share capital	150,000	150,000
51,815	50,997		Net revaluation reserve acc. to the equity method	23,769	25,199
-18,534	-25,122		Reserves for financial instruments	-25,122	-18,534
429,835	512,733		Retained earnings	539,961	456,451
15,000	38,000		Proposed dividend	38,000	15,000
628,116	**726,608**		**Equity owned by shareholders of the Parent Company**	**726,608**	**628,116**
-	-		Minority interests	0	1,551
-	**-**		**Equity**	**726,608**	**629,667**
20,751	32,730	2.4	Deferred tax	33,399	19,401
27,820	25,034		Warranty provisions	25,029	27,820
50,408	39,178	6.1	Other provisions	39,523	50,757
98,979	**96,942**		**Provisions**	**97,951**	**97,978**
25,150	21,986		Mortgage debt	21,986	25,150
0	0		Other long-term liabilities	6,067	0
25,150	**21,986**	5.2	**Long-term liabilities**	**28,053**	**25,150**
3,084	3,113		Mortgage debt, short-term	3,113	3,084
388,885	661,245	4.1	Prepayments received from customers	661,245	396,708
185,183	185,381		Trade creditors	214,684	248,682
66,269	49,223		Payables to related companies	4,804	6,857
234	512		Payables to associated companies	3,485	234
0	0		Corporate tax	3,357	6,403
68,359	77,226	4.3	Other creditors	92,634	80,761
712,014	**976,700**		**Current liabilities**	**983,322**	**742,729**
737,164	**998,686**		**Total long-term and current liabilities**	**1,011,375**	**767,879**
1,464,259	**1,822,236**		**TOTAL EQUITY AND LIABILITIES**	**1,835,934**	**1,495,524**

STATEMENT OF CHANGES IN EQUITY

tDKK

Parent Company

	Share capital	Net Revaluation Reserve	Financial instru-ments	Retained earnings	Dividend proposed	Total
Balance at 1 January 2015	150,000	51,815	-18,534	429,835	15,000	628,116
Dividends paid	0	0	0	0	-15,000	-15,000
Profit for the year	0	-44,470	0	120,898	0	76,428
Proposed dividend for 2015	0	0	0	-38,000	38,000	0
Changes in financial instruments	0	0	-8,612	0	0	-8,612
Tax on changes in equity	0	0	2,024	0	0	2,024
Exchange rate differences related to subsidiaries and associated companies	0	43,652	0	0	0	43,652
Equity at 31 December 2015	**150,000**	**50,997**	**-25,122**	**512,733**	**38,000**	**726,608**

Changes in Net Revaluation Reserve for 2015 is specified in note 3.3.

There have been no changes in the share capital during the last 5 years. The share capital is divided into 150 shares of mDKK 1 each.

The Group

	Share capital	Net Revaluation Reserve	Financial instru-ments	Retained earnings	Dividend proposed	Total
Balance at 1 January 2015	150,000	25,199	-18,534	456,451	15,000	628,116
Dividends paid	0	0	0	0	-15,000	-15,000
Profit for the year	0	-44,939	0	121,367	0	76,428
Proposed dividend for 2015	0	0	0	-38,000	38,000	0
Changes in financial instruments	0	0	-8,612	0	0	-8,612
Tax on changes in equity	0	0	2,024	0	0	2,024
Exchange rate differences related to subsidiaries and associated companies	0	41,902	0	1,750	0	43,652
Other changes in equity	0	1,607	0	-1,607	0	0
Equity at 31 December 2015	**150,000**	**23,769**	**-25,122**	**539,961**	**38,000**	**726,608**

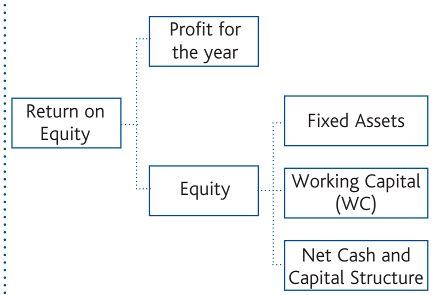
NOTES

Reading Instruction

The financial statements have been presented in accordance with the Danish Financial Statements Act and in a manner that attempts to make them less complex and more relevant to readers.

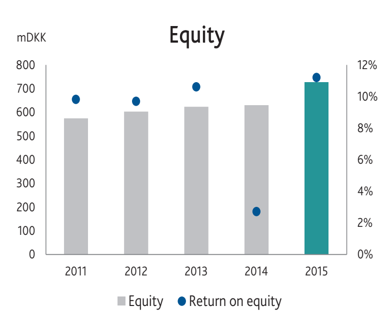
The notes have been divided into 7 sections: Basis of Reporting, Profit for the year, Fixed Assets, Working Capital (WC), Net Cash and Capital Structure, Other notes and Accounting Policies. The purpose is to provide a clearer understanding of what drives performance.

Notes section 2-5 have been divided into the key components, which adds up to Return on Equity.



Notes related to provisions; 2.4 Taxes and 6.1 Other Provisions.

Return on equity for 2011 - 2015:



Note Section 1. Basis of Reporting

This section describes the applied reporting framework. Furthermore, an overview is included of the significant judgements and estimates made by BWSC in preparing the Annual Report

Note 1.1 Basis of Reporting

The Annual Report has been presented in accordance with the provisions of the Danish Financial Statements Act for large reporting Class C companies.

The accounting policies are unchanged from last year.

The accounting policies are presented in detail in note 7.1.

In preparing the financial statements, BWSC has made a number of estimates and judgements that form the basis for recognition and measurement of assets, liabilities and items in the income statement. The most significant accounting estimates and judgements are stated below.

Estimation uncertainty
Determining the carrying amount of certain assets and liabilities requires judgements, estimates and assumptions relating to future events and is therefore by nature subject to uncertainty.

Particular risks referred to in the Risk Management section of the Management Review may have a substantial influence on the accounting risks.

In the financial statements for 2015, attention is particularly drawn to the following assumptions and uncertainties as these substantially influence the assets and liabilities recognised in the statements and may be adjusted in subsequent accounting years if the assumed course of events is not realised as anticipated:

- Construction contracts are measured at contract work performed, less prepayments received from the customers and anticipated losses. The percentage of completion is determined from an assessment based on six indicators of the stage of completion as stated in note 7.1 Accounting Policies. The contract value is measured based on the total expected income of the individual contracts – claim income is further mentioned below. The total expected expenses are partly based on estimates as contingency are included for unforeseen cost deviations to plan cost due to project risks, disputes etc.

- BWSC has a material claim related to diesel projects in the Middle East. Currently, the claim negotiations have not been finalised, and an material part of claim income cannot be recognised as income in the project account. The outcome of the claim settlement is uncertain and can have a materially positive impact on profit before tax when the claim has been settled.

- Provisions are based on BWSC's best estimate of the amount at which the obligation is expected to be discharged. Provision consists mainly of warranty provisions and other provisions. Other provisions are specified in note 6.1.

Accounting judgements
In applying the accounting policies, BWSC makes judgements concerning recognition principles to use. Especially related to when income and expenditure relating to third-party contracts must be treated in accordance with the percentage of completion method (construction contracts) compared to sale of goods. BWSC has for each group of transactions assessed, whether products contain a sufficiently high degree of individual adjustment to qualify for recognition as a construction contract under the percentage of completion method. If this is not the case, the products are recognised as revenue on sale of finished products.

Defining Materiality
BWSC's Annual Report is based on the concept of materiality to ensure that the content is material and relevant to the reader. This objective is pursued, amongst other things, by providing relevant rather than generic descriptions. The consolidated financial statements consist of a large number of transactions. These transactions are aggregated into classes according to their nature or function and presented in classes of similar items in the financial statements and in the notes as required by the Danish Financial Statements Act. If items are individually immaterial, they are aggregated with other items of similar nature in the statements or in the notes.

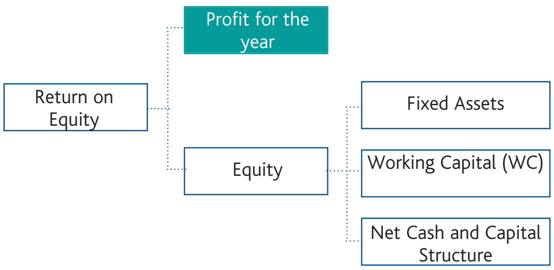
Going concern
BWSC is required to decide whether the financial statements can be presented on a "going concern" basis. Based on budgets, forecast and expectations of future cash flow etc., BWSC is of the opinion that there are no factors giving reason to doubt whether BWSC can continue operating for at least 12 months from the balance sheet date.

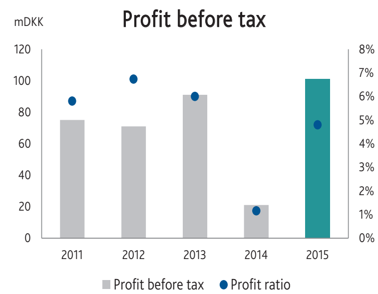
New accounting standards for 2016
The Danish Financial Statements Act has been amended as of 2016, and the amended rules for recognition and measurements are not assessed to have a material impact on the assets, liabilities and the financial position as well as the results and cash flows or the level of material disclosure to the financial statements.

Boiler check at Brigg REP, UK

Note Section 2. Profit for the year

Earnings back on track with profit before tax of mDKK 101 (2014: mDKK 21)





Revenue for 2015 amounts to mDKK 2,106 which is an increase of 16% compared to 2014 and the highest in BWSC's history. Revenue for the segment Europe, which mainly consists of biomass projects in the UK, has been the key contributor to the revenue increase in 2015.

To support the increased activity level, the average number of employees has increased by 15% in 2015 to 557. Furthermore, the cooperation with DASH in the Philippines, mainly within engineering, has supported growth. Both DASH and BWSC are subsidies in the MES group.

2014 was materially impacted by diesel power projects in the Middle East with two sites whereas 2015 has only to a much less extent been impacted. Further information is included in the 2015 Financial Review section of the Management Review.

Profit before tax is back on track with mDKK 101 for 2015 compared to mDKK 21 for 2014. The profit ratio (profit before tax in relation to revenue) for 2015 amounts to 4.8% but is, like 2014, impacted negatively by eliminations of profit on projects where BWSC is building power plants but also has an ownership stake. The eliminated profit will be taken to income over the life-time of the power plants when in operation. In 2015, the eliminated profit amounts to mDKK 45 compared to mDKK 19 for 2014 (see note 3.3 for further information about the eliminated profit in total). Adjusted for the elimination, the profit ratio for 2015 amounts to 6.9% compared to 2.2% for 2014.

Note 2.1 Revenue

tDKK

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
1,152,143	887,692	Final invoicing	924,725	1,222,944
452,241	1,005,303	Changes in contract work in progress	1,180,974	592,068
1,604,384	**1,892,995**		**2,105,699**	**1,815,012**

Revenue for the year is divided into the following geographical segments:

2014	**2015**		**2015**	**2014**
858,591	1,345,021	Europe	1,350,803	883,310
427,019	113,641	Africa and Middle East	308,008	589,876
273,975	404,544	South and Central America	411,256	288,756
44,799	29,789	Southeast Asia	35,632	53,070
1,604,384	**1,892,995**		**2,105,699**	**1,815,012**

Note 2.2 Staff Costs, etc.

tDKK

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
199,196	249,735	Wages and salaries	325,767	232,768
1,882	2,068	Social security costs	5,014	2,661
201,078	**251,803**		**330,781**	**235,429**
287	355	Average number of employees	557	484

Including remuneration for:

2014	**2015**		**2015**	**2014**
4,301	5,068	Executive management of Parent Company	5,068	4,301
1,360	1,400	Board of Directors of Parent Company	1,400	1,360
5,661	**6,468**		**6,468**	**5,661**

A bonus scheme for the Executive Management and Management Team is established. The bonus scheme is based on individual goals and the Company's overall result.

In March 2014, the Executive Management was increased by one person.

Note 2.3 Audit Fees

tDKK

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
499	499	Audit fee	807	913
45	60	Other declaration assignments	63	45
174	0	Tax advisory fee	222	741
472	201	Other fees	345	874
1,190	**760**		**1,437**	**2,573**

Note 2.4 Tax

tDKK

Given the nature of BWSC's business and the extent of intercompany transactions that BWSC has across geographical borders, transfer pricing, payroll related taxes, withholding taxes and VAT are particularly important areas when it comes to conducting tax practice responsibly which ensures that we pay taxes in the countries in which we operate.

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
10,531	2,683	Income tax payable	6,140	21,621
-15,744	14,211	Change in deferred tax	15,776	-17,876
-1,325	-2,232	Change in tax rate	-1,756	-1,325
605	2,024	Tax on changes in equity	2,024	605
-594	1,024	Adjustment of tax concerning previous years	1,613	-401
1,264	547	Paid dividend tax abroad	547	1,264
-5,263	**18,257**		**24,344**	**3,888**

Effective tax rate:

2014	2015		2015	2014
24.5%	23.5%	Company tax rate in Denmark	23.5%	24.5%
-92.1%	19.3%	Effective tax rate	24.2%	18.7%

Specification of effective tax rate:

2014	2015		2015	2014
24.5%	23.5%	Company tax rate in Denmark	23.5%	24.5%
-78.4%	-3.0%	Tax on profit in subsidiaries and associated companies	-2.6%	-8.8%
-19.8%	-2.4%	Adjustment for different tax rate in Denmark (24.5% / 23.5%)	-1.7%	-5.4%
0.0%	0.0%	Adjustment of calculated tax in foreign companies compared to 23.5% (24.5%)	1.6%	7.9%
0.7%	0.1%	Non-deductible costs	2.2%	4.7%
-19.1%	1.1%	Other adjustments	1.2%	-4.2%
-92.1%	**19.3%**	**Effective tax rate**	**24.2%**	**18.7%**

Note 2.4 Tax (continued)

tDKK

Deferred tax:

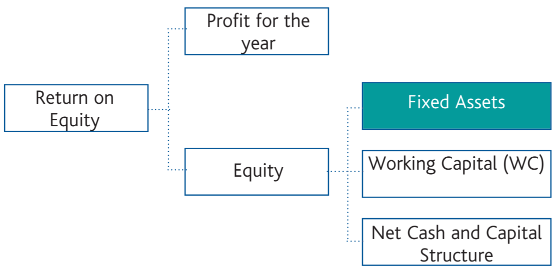
Parent Company			The Group	
2014	**2015**		**2015**	**2014**
38,014	20,751	Deferred tax at 1 January 2015	19,401	39,124
-194	0	Adjustment concerning previous years	454	-522
-1,325	-2,232	Change in tax rate	-2,232	-1,325
-15,744	14,211	Changes in deferred tax	15,776	-17,876
20,751	**32,730**		**33,399**	**19,401**

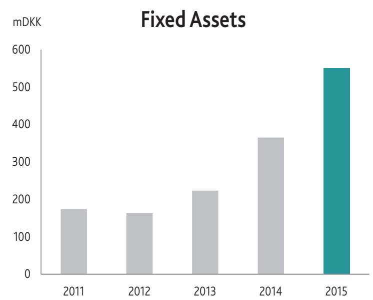
Deferred tax can be specified as follows:

2014	2015		2015	2014
12,800	11,680	Tangible fixed assets	11,680	12,796
-10,213	-19,434	Financial fixed assets	-19,434	-10,213
18,933	54,866	Contract work in progress	55,535	18,255
-769	-1,056	Other current assets	-1,056	-948
0	0	Provisions	0	-489
0	-13,326	Tax loss carried forward	-13,326	0
20,751	**32,730**		**33,399**	**19,401**

Note Section 3. Fixed Assets

Investments in biomass power plants in 2015 amount to mDKK 198 and commited not paid in investments amount to mDKK 55





In 2015, Fixed Assets have increased by mDKK 185 to mDKK 550.

In 2015, BWSC has net invested mDKK 195 in intangible, tangible and financial fixed assets, which is an increase of 61% compared to 2014. The main part of the investment mDKK 198 is in biomass power plants, via associated companies, with the Brigg and Snetterton biomass investments in the UK as the main investments. Shares in investments have been redeemed by mDKK 13, which takes net investment in financial fixed assets to mDKK 185. The committed not paid in investments amount to mDKK 55 at end-2015, which will be paid in during 2016.

BWSC has in total invested in eight power plants via associated companies. At the beginning of 2015, three were in operation and one reached TOC (Taking Over Certificate) in December 2015 and went into operation. The Brigg power plant reached TOC at end-January 2016 and is in operation which takes the number of investments in operation to five.

Besides the investments in biomass power plants, BWSC has in 2015 invested mDKK 12 in software, etc. related to the increase in staff and to further improve the internal processes.

In Q2-2015, BWSC via an asset deal acquired a service setup in Panama with 16 employees to expand our presence in the service market in the region.

Note 3.1. Intangible Fixed Assets

tDKK

Parent Company

	Software	Goodwill	Total
Cost at 1 January 2015	45,271	0	45,271
Additions in the year	9,423	0	9,423
Cost at 31 December 2015	**54,694**	**0**	**54,694**
Amortisation at 1 January 2015	24,248	0	24,248
Amortisation for the year	9,829	0	9,829
Amortisation at 31 December 2015	**34,077**	**0**	**34,077**
Book value at 31 December 2015	**20,617**	**0**	**20,617**
Book value at 31 December 2014	21,023	0	21,023
Amortisation period	3-7 years	3 years	

Note 3.1. Intangible Fixed Assets (continued)

tDKK

Parent Company

	Software	Goodwill	Total
Cost at 1 January 2015	45,271	0	45,271
Additions in the year	9,423	2,187	11,610
Cost at 31 December 2015	**54,694**	**2,187**	**56,881**
Amortisation at 1 January 2015	24,248	0	24,248
Amortisation for the year	9,829	486	10,315
Amortisation at 31 December 2015	**34,077**	**486**	**34,563**
Book value at 31 December 2015	**20,617**	**1,701**	**22,318**
Book value at 31 December 2014	21,023	0	21,023
Amortisation period	3-7 years	3 years	

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
7,331	9,829	Administrative costs	10,315	7,331
7,331	**9,829**		**10,315**	**7,331**

Construction ongoing at Snetterton REP, UK

Engine unloading, Suriname

Note 3.2 Tangible Fixed Assets

tDKK

Parent Company

	Fixtures and Fittings, Tools and Equipment	Land and Buildings	Total
Cost at 1 January 2015	18,886	116,480	135,366
Additions in the year	2,654	407	3,061
Cost at 31 December 2015	**21,540**	**116,887**	**138,427**
Depreciation at 1 January 2015	14,234	45,922	60,156
Depreciation for the year	2,778	1,626	4,404
Depreciation at 31 December 2015	**17,012**	**47,548**	**64,560**
Book value at 31 December 2015	**4,528**	**69,339**	**73,867**
Book value at 31 December 2014	4,652	70,558	75,210

Depreciation period	3-10 years	10-100 years

Note 3.2 Tangible Fixed Assets (continued)

tDKK

The Group

	Fixtures and Fittings, Tools and Equipment	Land and Buildings	Total
Cost at 1 January 2015	24,445	116,480	140,925
Currency adjustments af 1 January 2015	237	0	237
Additions in the year	5,403	407	5,810
Disposals in the year	-1,977	0	-1,977
Cost at 31 December 2015	**28,108**	**116,887**	**144,995**
Depreciation at 1 January 2015	17,435	45,922	63,357
Currency adjustments af 1 January 2015	82	0	82
Depreciation for the year	3,390	1,626	5,016
Depreciation of disposals	-1,149	0	-1,149
Depreciation at 31 December 2015	**19,758**	**47,548**	**67,306**
Book value at 31 December 2015	**8,350**	**69,339**	**77,689**
Book value at 31 December 2014	7,010	70,558	77,568
Depreciation period	3-10 years	10-100 years	

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
515	425	Costs of production	968	1,064
70	70	Sales costs	70	70
3,785	3,909	Administrative costs	3,978	3,789
4,370	**4,404**		**5,016**	**4,923**

Note 3.3 Financial Fixed Assets

tDKK

Parent Company

	Subsidiaries	Associated Companies	Other Securities	Total
Cost at 1 January 2015	4,670	239,269	1,514	245,453
Additions in the year	5,177	197,889	0	203,066
Disposals in the year	-511	-12,485	0	-12,996
Cost at 31 December 2015	**9,336**	**424,673**	**1,514**	**435,523**
Revaluations/write-downs at 1 January 2015	26,616	25,199	-15	51,800
Profit share in the year	1,233	7,803	0	9,036
Exchange rate differences	1,751	41,902	0	43,653
Distribution of dividend to Parent Company	-712	-7,867	0	-8,579
Elimination intercompany profit	0	-44,875	0	-44,875
Adjustment	-1,660	1,607	0	-53
Revaluations/write-downs at 31 December 2015	**27,228**	**23,769**	**-15**	**50,982**
Book value at 31 December 2015	**36,564**	**448,442**	**1,499**	**486,505**
Book value at 31 December 2014	31,286	264,468	1,499	297,253

In the distribution of profit for the year (page 32) for 2015, tDKK 44,470 has been transferred from Net Revaluation Reserves to Retained Earnings. The transfer consists of profit share in the year tDKK 9,036, Distribution of dividend to Parent Company tDKK -8,579, Elimination of intercompany profit tDKK -44,875 and Adjustment tDKK -53.

The Group

	Associated Companies	Other Securities	Total
Cost at 1 January 2015	239,269	1,514	240,783
Additions in the year	197,889	0	197,889
Disposals in the year	-12,485	0	-12,485
Cost at 31 December 2015	**424,673**	**1,514**	**426,187**
Revaluations/write-downs at 1 January 2015	25,199	-15	25,184
Profit share in the year	7,803	0	7,803
Exchange rate differences	41,902	0	41,902
Distribution of dividend to Parent Company	-7,867	0	-7,867
Elimination intercompany profit	-44,875	0	-44,875
Adjustments	1,607	0	1,607
Revaluations/write-downs at 31 December 2015	**23,769**	**-15**	**23,754**
Book value at 31 December 2015	**448,442**	**1,499**	**449,941**
Book value at 31 December 2014	264,468	1,499	265,967

Note 3.3 Financial Fixed Assets (continued)

tDKK

As per 31 December 2015, the accumulated elimination of the proportionate share of the intercompany profit of mDKK 88.4 (2014: mDKK 43.5) before tax has been deducted from the investments in Associated Companies.

The disposals in the year relate to redemption of shares in investments not affecting the ownership structure.

The Group

Below the key figures for Associated Companies	Ownership above 25%	Ownership equal to or below 25%	Total	
	2015	**2015**	**2015**	**2014**
Revenue	580,129	510,962	1,091,091	1,475,610
Profit before tax	43,721	53,395	97,116	151,602
Total fixed assets	3,423,365	1,667,625	5,090,990	2,596,063
Current assets	382,049	971,516	1,353,565	791,885
Equity	1,291,276	377,121	1,668,397	1,137,156

The amounts stated are the accounting figures for the individual Associated Company, applying the BWSC Group's accounting policies. For further information about Associated Companies, please see note 6.6.

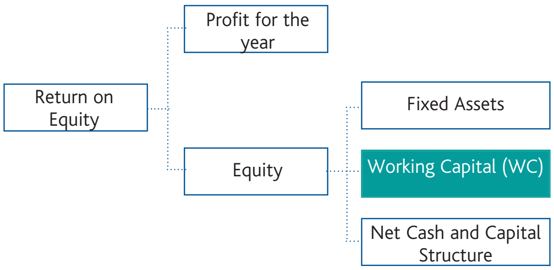
BWSC has invested in eight power plants via Associated Companies. Of these three are in operation at the beginning of 2015, one reached TOC (Taking over Certificate) in December and went into operation and four are under construction. Of the four under construction, one reached TOC in January 2016.

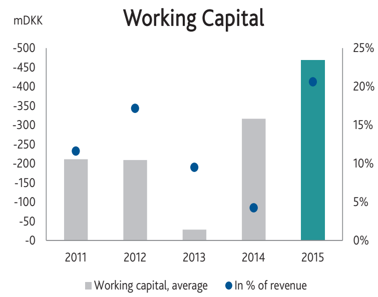
Note 3.4 Business Aquisition

The Group has in 2015 invested in a service company in Panama (asset deal). The acquisition has no significance for consolidated revenue and profit.

Note Section 4. Working Capital (WC)

Improvement in working capital ensures BWSC a strong cash position





Working capital amounts to mDKK -468 at end-December 2015, which equals -21% of revenue (based on average WC for the year). A negative working capital represents that BWSC is funded by the assets and liabilities necessary to support the day-to-day running of the business.

Working capital has improved by mDKK 152 from mDKK -316 at end-December 2014. The improvement is mainly related to a positive development in prepayments received from customers by mDKK 265 and a negative development in trade debtors by mDKK 18, contract work in progress by mDKK 105 and trade creditors by mDKK 34.

As an EPC contractor, working capital fluctuates during the year mainly due to the timing of large prepayments from customers and large payments to suppliers. To reduce the counterpart risk and ensure a strong cash flow, BWSC is focusing on a positive cash flow from each project.

Working capital equals total current assets excluding cash minus current liabilities excluding mortgage debt, short term.

Note 4.1 Contract Work in Progress

tDKK

Parent Company			The Group	
2014	**2015**		**2015**	**2014**
1,878,636	2,883,939	Sales value of production in progress	3,348,704	2,167,730
-2,021,152	-3,181,550	Invoiced on account	-3,646,315	-2,305,762
-142,516	**-297,611**	**Contract work in progress, net**	**-297,611**	**-138,032**

Classified as follows:

2014	**2015**		**2015**	**2014**
246,369	363,634	Contract work in progress (receivables)	363,634	258,676
-388,885	-661,245	Prepayments received from customers	-661,245	-396,708
-142,516	**-297,611**		**-297,611**	**-138,032**

Note 4.2 Other Debtors

tDKK

Parent Company			The Group	
2014	2015		2015	2014
50,908	48,228	VAT receivable, duties and other taxes	54,185	55,623
0	0	Deposits	308	488
10,680	8,103	Financial instruments	8,103	10,680
1,620	0	Other project related income	0	1,620
3,600	5,077	Other accrued income	7,035	4,273
66,808	**61,408**		**69,631**	**72,684**

Note 4.3 Other Creditors

tDKK

Parent Company			The Group	
2014	2015		2015	2014
22,079	34,038	Payable payroll related costs	41,760	26,387
42,460	42,284	Financial instruments	42,284	42,460
0	0	VAT payable	3,403	1,310
3,820	904	Other accrued costs	5,187	10,604
68,359	**77,226**		**92,634**	**80,761**

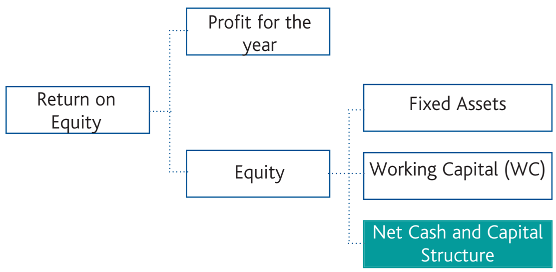
Note 4.4 Changes in Working Capital for the Cash flow Statement

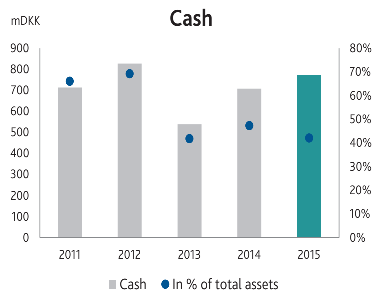
tDKK

	The Group	
	2015	2014
Changes in inventories	2,438	135
Changes in contract work in progress and prepayments received by customers, net	159,579	245,864
Changes in trade receivables	-18,029	345
Changes in receivables from group companies and associates companies	25,305	-9,637
Changes in other debtors	476	-644
Changes in payments	-2,964	1,288
Changes in trade creditors	-33,998	25,955
Changes in payables to group companies and associated companies	1,198	1,595
Changes in other creditors	10,641	-8,285
	144,646	**256,616**

Note Section 5. Net Cash and Capital Structure

Strong cash position with mDKK 774 in cash, which equals 42% of total assets.





BWSC's capital structure at end-2015 consists of equity of mDKK 727, interest bearing debt of mDKK 25 (mortgage debt) and cash of mDKK 774.

Equity has increased by mDKK 98 to mDKK 727 at end-2015 and the solidity ratio (equity in relation to equity and total liabilities) equals to 40% at end-2015, which is a decrease of 2 percentage-points compared to end-2014. The solidity ratio has been impacted negatively by large prepayments received from customers, which increases total liabilities at year-end 2015.

Cash has increased by mDKK 66 to mDKK 774 at year-end 2015 whereas interest bearing debt has decreased by mDKK 3 to mDKK 25. Accordingly, net cash amounts to mDKK 749 at year-end 2015 which is an improvement of mDKK 70 compared to year-end 2014.

A Treasury Policy to manage the main financial risks is in place. The key financial risk is the currency exposure on long-term operation and maintenance contracts with duration of up to 20 years.

Note 5.1 Capital Structure

A company's capital structure shows how it funds its investments and operation using equity and debt. BWSC has decided to use solidity (equity / equity and total liabilities) as the key measure of capital structure and a mimimum solidity of 40% has been set.

The overall objective is to ensure a continued development and strengthening of BWSC's capital structure which supports long-term profitable growth and a solid increase in key earnings and statement of financial position ratios.

Note 5.2 Long-term Liabilities

Debt maturing within one year is recognised as current liabilities and debt maturing above one year is recognised as long-term liabilities.

Long-term debt maturing after five years from the end of 2015 amounts to tDKK 15,550 (2014: tDKK 12,682).

The mortgage debt in total amounts to tDKK 25,099 (2014: tDKK 28,234) at 31 December 2015 with a maturity af eight years.

The other long-term liabilities tDKK 6,067 (2014: tDKK 0) are non-interest bearing.

Note 5.3 Financial Risks

BWSC is exposed to a number of financial risks due to its international operations and investments. The overall objectives for BWSC's financial risk management are outlined in the Treasury Policy, which is approved by the Board of Directors. The main financial risks are managed centrally within the BWSC Group.

The financial risks are specified below into the following sections:

1. Liquidity risks
2. Counterpart risks
3. Interest rate risks
4. Currency risks

The liquidity, counterpart and interest rate risks are assessed as low whereas the currency risk is higher. Further detail on the currency risk is specified in the currency risk section below.

At the end of this note the financial instruments (Currency and Interest) and the accounting for the instruments have been summarised in the Total Instruments section.

Liquidity Risks

It is important for BWSC to make sure that adequate cash is available at all times to be able to operate effectively even in the event of unforeseen fluctuations in liquidity. On an ongoing basis, BWSC monitors the liquidity resources which consist of cash, cash equivalents, and committed credit facilities deducted by gross interest bearing debt and the main part of net prepayments received from customers. In the Treasury Policy, a minimum liquidity resource target of mDKK 200.0 has been set to ensure that adequate liquidity resources are available. In the event the target of mDKK 200.0 has not been met committed credit facilities must be established to ensure that the liquidity resources are within the target of mDKK 200.0.

BWSC's cash position of mDKK 773.7 is to a large extent impacted by fluctuation in prepayments from customers and trade creditors. To ensure proper liquidity resource management, prepayments from customers are taken into consideration in the measurement of the minimum liquidity resources as stated above.

Currently, no credit facility has been established as the minimum liquidity resources of mDKK 200.0 are in place and are expected to be in place for 2016.

Counterpart Risks

BWSC's counterpart risks relate mainly to trade debtors, contract work in progress and cash deposits and derivative financial instruments with a positive market value (mainly currency hedging).

For material customers, a credit risk evaluation is performed to ensure an acceptable level of credit risk. Insurance cover or similar measures to hedge trade debtors and contract work in progress are applied from time to time, but historically, BWSC has only had few material losses on trade debtors and contract work in progress. Impartment of trade debtors and contract work in progress amounts to mDKK 4.0 (2014: mDKK 1.5).

For financial institutions, BWSC's policy is to have a least two partner banks with a solid credit rating and only to enter into derivative financial transactions with these banks. Other banks are regarded as relationship banks and must also have a solid credit rating. All banks for the group are managed centrally. A maximum counterpart risk level has been set with a higher exposure towards partner banks than towards relationship banks.

Interest Rate Risks

BWSC's interest rate risk consists of its exposure to changes in the financial items as a result of changes in the market interest rates.

BWSC's cash deposits are subject to floating interest.

Interest bearing debt at 31 December 2015 consists of mortgage debt, which amounts to mDKK 25.1 (2014: mDKK 28.2). The mortgage debt is subject to a fixed interest rate via an interest rate swap. The market value of the interest rate swap is mDKK -4.6 (2014: mDKK -5.6) and the market value is recognised in Equity. The maturity of the mortgage debt is eight years, and further information about the mortgage debt is included in note 5.2.

Currency Risks

The main part of BWSC's income, purchase of goods and services and investments are in EUR, GBP and USD, and accordingly, BWSC is exposed to material currency risks. The EUR currency risk is regarded as low due to Denmark's fixed-rate policy towards EUR and is as such not hedged.

The table below shows the market value of financial instruments per currency hedged and the contract amount in DKK based on the year-end exchange rates.

	2015			**2014**		
tDKK	**Market Value**	**Contract amount sold**	**Contract amount bought**	**Market Value**	**Contract amount sold**	**Contract amount bought**
USD	-2,748	27,631	0	8,219	170,098	91,821
GBP	-25,793	679,353	9,050	-34,387	858,462	0
EUR	-858	111,938	0	0	0	0
CHF	-211	0	14,092	0	0	0
Total	**-29,610**	**818,922**	**23,142**	**-26,168**	**1,028,560**	**91,821**

A financial instrument is assessed as an effective hedge when the financial instrument is based on a recognised asset, liability or an expected future cash flow. Effective hedges are recognised in equity and are transferred to either the income statement or the balance sheet item depending on which the hedging is related to when the hedged transaction is recognised. Any financial instruments which are estimated as ineffective are recognised in the income statement as a financial income or cost.

The Engineering, Procurement and Construction (EPC) projects of diesel, gas or biomass power plants has a lifetime of up to 30 months whereas some of the service projects (Operation and Maintenance projects) have a lifetime of up to 20 years. The investments in power plants, excluding dividends and redemption of shares, are following the time line of the EPC project which the investment is related to.

A hedging strategy has been established to hedge the currency exposure. Only cash flows above a threshold, which is based on the historic volatility of the currencies, are hedged, and only simple financial instruments must be used. Net investments in subsidiaries and associated companies (in operation for investments in power plants) are not hedged.

The hedging strategy is based on a latter, which hedges between 90-100% of the currency exposure up to three years, and a lower share of the exposure between four and five years and a low share of the exposure between six and eight years. The hedging is performed initially upon contract signing and updated during project execution. Currently, no currency exposure above five years is hedged.

For the Operation and Maintenance projects with a lifetime of up to 20 years, the net currency exposure above five years amount is above bDKK 1. The currency risk above five years is mainly related to GBP. Material future changes in GBP could have a material impact on BWSC's cash flow beyond 2020.

Total Financial Instruments

The table below shows the market value of the Currency and Interest Rate Financial Instruments and the effect on income statement and equity.

	2015			2014		
tDKK	**Market Value**	**Recognised in income statement**	**Recognised in equity**	**Market Value**	**Recognised in income statement**	**Recognised in equity**
Currency Financial Instruments	-29,610	-858	-28,752	-26,168	-7,070	-19,098
Interest Rate Financial Instruments	-4,571	0	-4,571	-5,612	0	-5,612
Total	**-34,181**	**-858**	**-33,323**	**-31,780**	**-7,070**	**-24,710**

The below table shows the maturity of the financial instruments recognised in equity.

	2015			2014		
tDKK	**Currency Financial Instruments**	**Interest Rate Financial Instruments**	**Total**	**Currency Financial Instruments**	**Interest Rate Financial Instruments**	**Total**
Within 1 year	-28,340	0	-28,340	-13,248	0	-13,248
Between 1 and 5 years	-412	0	-412	-5,850	0	-5,850
Over 5 years	0	-4,571	-4,571	0	-5,612	-5,612
Total	**-28,752**	**-4,571**	**-33,323**	**-19,098**	**-5,612**	**-24,710**

Note Section 6. Other Notes

This section contains other statutory disclosures not related to the previous sections

Note 6.1 Other Provisions

Other provisions tDKK 39,523 (2014: tDKK 50,757) cover estimated remaining liabilities in connection with finalised projects other than warranty provisions.

Approximately 90% of other provisions is expected to be settled within the next 12 months from the Balance Sheet date.

Note 6.2 Transactions between Related Parties

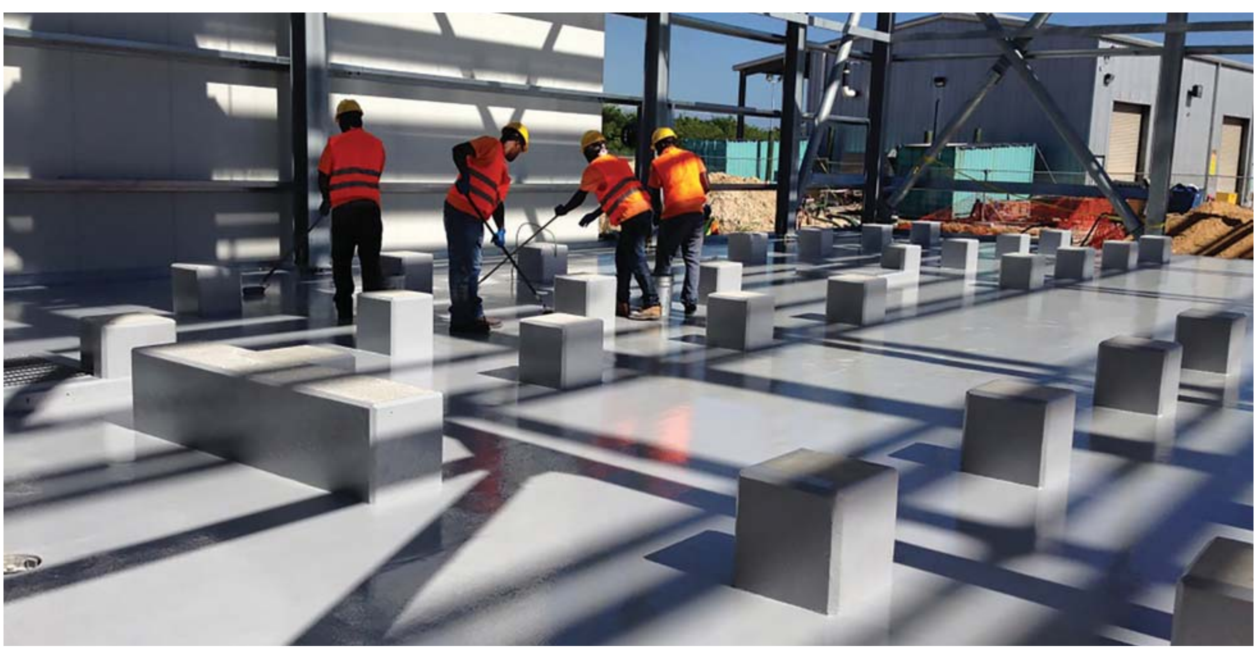
Purchase of goods and services from Mitsui Engineering & Shipbuilding Co., Ltd., Japan and sale of goods to subsidiaries and associated companies have taken place at market conditions.

Apart from intercompany transactions which have been eliminated in the Group accounts, plus guarantee frame fee, and remuneration for the Board of Directors and Group Management, no transactions have been made with the Board of Directors, Group Management, subsidiaries, and associated companies or other related parties duing the year.

Group relationships

Burmeister & Wain Scandinavian Contractor A/S is 100% owned by Mesco Denmark A/S, which prepares its own consolitated Financial Statements. The Mesco Denmark Financial Statements can be obtained via BWSC. The ultimate Parent Company is Mitsui Engineering & Shipbuilding Co., Ltd., which prepares the Financial Statements for the group in which BWSC is included.

Group Financial Statements for the ultimate Parent Company can be obtained from: Mitsui Engineering & Shipbuilding Co., Ltd., 6-4, Tsukiji 5-chome, Chou-ku, Tokyo 104-8439, Japan or via www.mes.co.jp.



Painting of power house floor, Cayman Phase 5

Note 6.3 Contingency Liabilities, Security for Loans, etc.

BWSC has not entered into any material leasing obligations.

BWSC is party to disputes and litigation from time to time which is normal for BWSC's business. The outcome of such disputes or litigation will not have a material impact on BWSC's financial position.

The Parent Company is jointly taxed with the other Danish entities in the Mesco Denmark Group. As a wholly-owned subsidiary, the Parent Company is jointly and severally liable, together with the other jointly taxed entities, for Danish income taxes and withholding taxes on dividends, interest and royalties within the Group of jointly taxed entities. Any subsequent adjustments of the joint taxable income or withholding taxes may result in an increase of the Company's liability.

Land and buildings with a book value of mDKK 69.3 (2014: mDKK 70.6) has been provided as security for mortgage debt. The total mortgage debt amounts to mDKK 25.1 (2014: mDKK 28.2).

For a subsidiary service company in the UK, which has entered into a number of long-term Operation and Maintenance contracts, Burmeister & Wain Scandinavian Contractor A/S has issued Parent Company guarantees for the duration of the O&M contracts' lifetime. The duration of the O&M contracts are up to 20 years.

Burmeister & Wain Scandinavian Contractor A/S has invested in power plants via associated companies and the not paid in committed capital in associated companies amounts to mDKK 55 at 31 December 2015. The not paid in capital will be paid in during 2016.

Note 6.4 Cash Flow Adjustments for the Cash Flow Statement

tDKK

	The Group	
	2015	**2014**
Amortisation/depreciation	15,331	12,254
Changes in provisions	-14,025	37,333
Profit/loss on the sale of fixed assets	0	-4,906
Derivative financial instruments	-6,211	8,426
Elimination of Intercompany profit (note 3.3)	44,875	19,263
	39,970	**72,370**

Note 6.5 Events after the Balance Sheet date

No significant events subsequent to 31 December 2015, which could materially impact the financial position, have occurred.

Note 6.6 Subsidiaries and Associated Companies

Companies	Incorporated in Country	Ownership in %
Parent company		
Burmeister & Wain Scandinavian Contractor A/S*	Denmark	
Subsidiaries		
BWSC Generation ApS	Denmark	100%
BWSC Foreign Investments ApS	Denmark	100%
BWSC Generation Services UK Ltd.	United Kingdom	100%
BWSC Generation Services Northern Ireland Ltd.	United Kingdom	100%
BWSC (Mauritius) Ltd.	Mauritius	100%
BWSC Lebanon Construction SARL	Lebanon	100%
BWSC Panama S.A.	Panama	100%
BWSC Regional Services S.A.	Panama	100%
BWSC Lanka (Private) Ltd.	Sri Lanka	100%
BWCC Ltd.	The Bahamas	100%
BWSC Cayman Ltd.	Cayman	100%
Associated companies		
Western Biomass Operating Company Ltd.	United Kingdom	50%
APOM Ltd.	United Kingdom	50%
BWSC Power Corporation Ltd.	United Kingdom	37.5%
Rabai Power Holding Ltd.	United Kingdom	25.5%
ERE LPS Holdings Ltd.	United Kingdom	17.2%
Mersey Bioenergy Holdings Ltd.	United Kingdom	10.6%
Tilbury Green Power Holding Ltd.	United Kingdom	3.4%
Rabai Operation and Maintenance Ltd.	Kenya	51%
Pedregal Power Company S.D.E.R.L	Panama	7.6%
Asia Power (Private) Ltd.	Sri Lanka	6.8%

* The Company has branches in the United Kingdom, Greece and Suriname.

Companies and branches without material activities and assets and liabilities, and dormant companies are omitted from the list.

Note Section 7. Accounting Policies

The Basis of Reporting is described in note 1.1 whereas below the detailed Accounting Policies are described.

Note 7.1 Accounting Policies

General
The Annual Report of Burmeister & Wain Scandinavian Contractor A/S has been presented in accordance with the provisions of the Danish Financial Statements Act for large reporting Class C companies.

Change in Accounting Policies
The accounting policies are unchanged from last year.

Recognition and measurement in general
Assets are recognised in the Balance Sheet when it is probable that future economic benefits associated with the assets will flow to the Group, and the cost of the assets can be measured reliably.

Liabilities are recognised in the Balance Sheet when it is probable that future economic benefits associated with the liabilities will flow from the Group, and the cost of the liabilities can be measured reliably.

At initial recognition, assets and liabilities are measured at cost. Assets and liabilities are afterwards measured as described below for each Balance Sheet item.

Consolidation
The consolidated Financial Statements are prepared on the basis of Financial Statements of the Parent Company and each subsidiary by aggregating items of a similar nature and by eliminating intra-group transactions.

The project Financial Statements of international contracting activities are translated into DKK as follows: The items in the Income Statement and the Balance Sheet are translated according to weighted project rates, corresponding to the exchange rates according to forward exchange contracts entered into. As the exchange rates applied are the same during the entire project period, generally no exchange rate adjustments arise on large projects.

The Financial Statements of foreign subsidiaries that operate as independent entities are translated into DKK as follows: The items in the Income Statement are translated at average rates that do not differ materially from the exchange rates at the date of transaction. Balance Sheet items are translated at closing exchange rates. Exchange rate adjustments are recognised directly in equity.

The Financial Statements of international subsidiaries that operate as integrated entities are translated into DKK as follows: The items in the Income Statement are translated at average rates that do not differ materially from the exchange rates at the date of transaction. Current assets and liabilities are translated at closing exchange rates, whereas fixed assets and long-term liabilities are translated at historical rates. Exchange rate adjustments are recognised in the Income Statement.

The items from the subsidiaries are consolidated into the Group's Financial Statements 100% line by line. The minority interests' proportional share of the net result and equity of the subsidiaries are included as separate items under the consolidated profit for the year and equity.

Companies in which the Group holds between 20% and 50% of the voting rights or in some other way holds significant influence, but not control, are regarded as associated companies as described under the item "Financial Fixed Assets".

Foreign Currency Translation
Transactions in foreign currency are translated at the exchange rate at the transaction date. Exchange rate adjustments arising between the exchange rate at the transaction date and the payment date are recognised in the Income Statement.

Receivables, payables and other monetary items in foreign currency, which are not paid at the Balance Sheet date, are translated at the exchange rate at the Balance Sheet date. The difference between the exchange rate at the Balance Sheet date and the exchange rate at the time when the receivable or payable is incurred is recognised in the Income Statement.

Financial Instruments
Financial instruments are initially recognised in the Balance Sheet at cost and subsequently measured according to fair value. The fair value of financial instruments is included in other debtors (positive fair value) or other creditors (negative fair value) as the case may be.

Changes in the fair value of financial instruments that hedge the fair value of already recognised assets or liabilities are recognised in the Income Statement under financial income or financial costs together with changes in the value of the assets and liabilities hedged.

Financial instruments used to hedge expected future transactions regarding specific projects or interest payments are measured at fair value on the Balance Sheet date, and value adjustments are recognised directly in equity until the hedged item is realised. When the hedged item is realised, the changes in value are recognised in the same accounting entry as the hedged item as stated above by transferring the changes in value from equity to the Income Statement.

Financial instruments which are not held for hedging purposes regarding specific projects or interest payments are recognised in the Balance Sheet at fair value on the Balance Sheet date. Value adjustments are recognised in the Income Statement under financial income or costs.

INCOME STATEMENT

Revenue

The Group's revenue is derived from contract activities, service contracts, etc. as stated on page 6.

Contract work and operational contracts are recognised according to the percentage-of-completion method. Profits on contracts are recognised by reference to actual stage of completion based on an estimate allowing for both known and expected additional costs. In connection with consortiums, only the Group's share is taken into account.

Stage of completion is determined on the basis of an assessment of the work carried out, evaluated on the basis of six indicators for the stage of completion, including among others hours incurred in relation to the total budgeted hours, costs incurred on the projects compared to the total estimated costs and final delivery of the project.

Realised profits on completed contracts are recognised net of provisions for warranties.

Income from spare part contracts is recognised when delivered.

Costs of Production

Costs of production comprise expenses, including wages and salaries, raw materials and consumables, and depreciation made for purposes of generating the year's revenue, including indirect costs related to wages and salaries, rent and leases and depreciation.

Research costs and development costs that do not qualify for capitalisation and depreciation of capitalised development costs are recognised as costs of production.

Write-downs in connection with expected losses on contract activities are recognised as costs of production.

Sales Costs

Costs related to offers and orders, including expenses related to sales personnel, marketing, including costs for Independent Power Producer (IPP) project development, and internal development projects, are recognised as sales costs.

Administrative Costs

Costs related to management and group administration, including costs related to administrative officers, management, office premises, office expenses, depreciation etc., are recognised as administrative costs.

The administrative costs that are included in production overheads are transferred to production overheads.

Net Financials

Financial income and costs include interest income and costs, realised and unrealised capital gains and losses, changes of financial instruments not designated as hedging arrangement, amortisation of financial assets and liabilities and surcharges and allowances under the advance-payment-of-tax scheme, etc. Financial income and costs are recognised at the amounts relating to the reporting period.

Tax

The estimated tax charge for the year is recognised in the Income Statement and is recorded as a current liability in the Balance Sheet. Non-refunded dividend tax concerning dividends from foreign subsidiaries is expensed in the year in which the dividend is declared.

The Company and its Parent Company are jointly taxed. The tax of the joint taxation income is fully allocated by payment of joint taxation contributions.

Deferred tax resulting from timing differences between income and expenses in the Financial Statements and the statement of taxable income and from tax loss carry-forwards is provided for in the Balance Sheet. Changes in the deferred tax charge for the year are taken to the Income Statement. Actual and deferred tax related to equity movements is recognised directly in equity.

BALANCE SHEET

Intangible and Tangible Fixed Assets

Intangible and tangible fixed assets are measured at cost plus subsequent additions and revaluation and less accumulated amortisation/depreciation and impairments.

Amortisation/depreciation in the year is provided on a straight-line basis over the estimated useful lives of the individual assets, using the following periods:

Goodwill	3 years
IT software	3-7 years
IT hardware	3 years
Office building	100 years
Warehouse	25 years
Installations	10 years
Cars	5 years
Plant and equipment	5 years
Fixtures, fittings and tools	3-10 years
Land is not depreciated	

Financial Fixed Assets

Investments in subsidiaries and associated companies are recognised at the Parent Company's proportionate share of the net assets of the companies, calculated by reference to the accounting policies applied by the Parent Company, adjusted for proportionate share of unrealised intra-group profits and losses (the equity method).

Subsidiaries and associated companies whose net asset value is negative are recognised at DKK 0, and any receivables from these companies are written down by the Parent Company's share of the negative net asset value. If the net asset value exceeds the receivables, the residual amount is recognised under provisions provided that the Parent Company has a legal or actual obligation to cover the subsidiaries' deficits.

Net revaluation of investments in subsidiaries and associated companies is taken to equity as a net revaluation reserve according to the equity method to the extent that the carrying amount exceeds the cost.

Newly acquired or newly established companies are recognised in the Financial Statements from the time of acquisition. Companies sold or otherwise disposed of are recognised until the time of sale.

Profits or losses on the sale of subsidiaries and associated companies are stated as the difference between the selling price and the carrying amount of the net assets at the time of sale and expected costs related to the sale and/or disposal and recognised in the Income Statement under other income.

The takeover method is applied to newly acquired subsidiaries and associated companies. Thus, the assets and liabilities of such companies are measured at fair value at the time of acquisition.

Inventories

Inventories, including prepayments for goods, are measured at cost according to the FIFO principle. However, inventories are written down to the lower of cost or net realisable value.

Debtors

Debtors, etc. are measured at amortised cost, which usually equals the nominal value.

Impairment for bad debts are based on individual assessments if there is an objective indication that a debtor is impaired.

Contract Work in Progress

Contract work in progress is measured by reference to the stage of completion. Reference is made to the section Revenue.

The sales value is based on the stage of completion at the Balance Sheet date and the total expected income on the individual work in progress.

The individual work in progress is recognised in the Balance Sheet under debtors or liabilities other than provisions, dependent on the net value of the selling price less payments on account and prepayments. Costs related to sales work and contracts are recognised in the Income Statement as incurred.

Prepayments

Payments, made or received concerning costs or income in subsequent years are recognised under prepayments.

Warranty Provisions
Warranty provisions comprise commitments to repair work within the guarantee period. Provisions are measured and recognised based on previous experience with guarantee work.

Other Provisions
Provisions comprise expected remaining costs relating to delivered contracts and expected costs to performance guarantees.

When it is probable that the total costs will exceed the total income on contract work in progress, a provision is made for the total loss expected to be incurred on the work. The provision is recognised as costs under production costs.

Proposed Dividend
Proposed dividend for the year is included in the equity.

Financial Liabilities
Financial liabilities are recognised from the raising of the loan at the proceeds received net of transaction costs incurred.

The financial liability is subsequently measured at amortised cost, equalling the capitalised value, using the effective interest rate method. The difference between the proceeds and the nominal value is thus recognised in the Income Statement over the loan term.

Other financial liabilities, which comprise trade creditors, payables to related and associated companies and other creditors are measured at amortised cost, which usually corresponds to the nominal value.

CASH FLOW STATEMENT

The cash flow statement shows the Group's net cash flows for the year, broken down by operating, investing and financing activities, changes in cash and the Group's cash at the beginning and at the end of the year.

Cash flow statement for the Parent Company has not been prepared in accordance with §86,4 of the Danish Financial Statements Act.

Cash Flows from Operating Activities
Cash flows from operating activities are made up as the operating profit, adjusted for non-cash operating and financial items, changes in working capital and paid income taxes.

Cash Flows from Investing Activities
Cash flows from investing activities comprise payments related to additions and disposals of companies and additions and disposals of intangible and tangible assets.

Cash Flows from Financing Activities
Cash flows from financing activities comprise changes in the size or composition of the Company's share capital and related costs, raising of loans and repayments of interest-bearing debt and dividends distributed to shareholders.

FINANCIAL RATIO

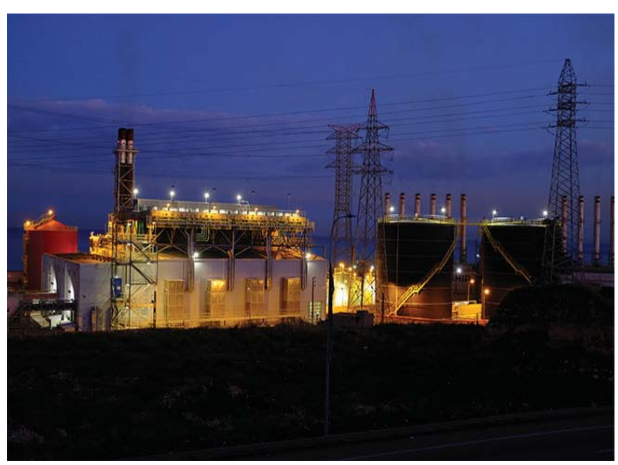
Analysis of the financial ratios included in the financial highlights on page 4 and 63:

Gross margin $\dfrac{\text{Gross profit x 100}}{\text{Revenue}}$

Profit ratio $\dfrac{\text{Profit before tax x 100}}{\text{Revenue}}$

Solidity $\dfrac{\text{Equity at year-end x 100}}{\text{Total equity and liabilities at year-end}}$

Return on equity $\dfrac{\text{Profit for the year (after tax) x 100}}{\text{Average equity}}$



Jiyeh Power Station, Lebanon

GROUP FINANCIAL HIGHLIGHTS, EUR

	2015 mEUR	2014 mEUR	2013 mEUR	2012 mEUR	2011 mEUR
Income Statement					
Revenue	283	244	204	142	174
Gross profit	33	18	30	24	23
Net financials	1	1	-1	-0	1
Profit before tax	14	3	12	10	10
Profit for the year	10	2	9	8	8
Balance Sheet					
Total assets	246	201	173	160	145
Cash	104	95	72	111	96
Equity	98	85	84	81	77
Interest-bearing debt	3	4	4	5	5
Investments in tangible fixed assets	-1	-1	-1	-0	-0
Cash Flows					
From operating activities	37	43	-26	18	5
From investment activities	-26	-16	-8	2	-0
From financing activities	-2	-4	-4	-4	-8
Financial Ratio (%)					
Gross margin	12	7	15	17	13
Profit ratio	5	1	6	7	6
Solidity	40	42	48	50	53
Return on equity	11	3	11	10	10
Other Information					
Order Intake	356	497	510	83	261
Order Backlog	886	808	552	191	233
Average number of full-time employees	557	484	450	415	428
Of which employed by the Parent Company	355	287	296	251	254

The Profit Ratio has been calculated as profit before tax proportional to revenue. The calculation of the remaining financial ratios are described in note 7.1 in the Financial Statements.

The key figures are translated at the year-end EUR exchange rate of 7.45

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